

Tentative Accord Seen in Lebanon

Gemayel, Israelis Said to Agree On First Withdrawal of Troops

The Associated Press
BEIRUT — Lebanon and Israel were reported Friday to have reached a tentative agreement that the first stage of foreign troop withdrawals from Lebanon should begin next month.

Government sources here said Israeli troops would withdraw from Lebanon's central mountains to coastal areas south of Beirut while Syrian and Palestinian troops would pull back from the central mountains northeast of Beirut to the eastern Bekaa Valley.

The sources who spoke on condition they would not be identified said Philip C. Habib, a U.S. special envoy, had won the Israeli government's approval of the proposed first withdrawal stage.

President Amin Gemayel of Lebanon has given his country's tentative agreement to the proposal, the sources said, provided it is linked to a program for a total withdrawal of 60,000 Israeli, Syrian and Palestinian troops from Lebanon.

The sources said that Mr. Habib plans to go to Syria next week to ascertain that President Hafez al-Assad would order his forces to pull back from the central Lebanese mountains as the Israelis withdrew.

President Gemayel's government is expected at the same time to send an emissary to the Arab League headquarters in Tunis to negotiate a compliance by the Palestine Liberation Organization with the proposed plan, the sources said.

The sources said, however, that an overall accord on all major issues involved in the troop withdrawal negotiations, including security arrangements and future relations, might have to be reached

before a first phase of the withdrawal could be carried out.

The first stage envisioned by Mr. Habib would take Israeli, Syrian and Palestinian forces back nine miles (14.5 kilometers) from their current positions in the central mountains, the sources said.

They said Mr. Gemayel has already instructed the Lebanese Army command to begin planning a deployment of Lebanese troops into vacated areas to reopen and patrol the international highway that links Beirut with Damascus, the Syrian capital.

About 6,000 troops from the 22,000-man Lebanese Army are currently tied up in the Beirut operation that brought the Moslem and Christian sectors of the Lebanese capital under army control for the first time since the 1975-76 civil war.

An Israeli patrol of one tank and two armored personnel carriers on Friday tried to pass through a newly established Lebanese Army checkpoint at the suburban Chamouni Boulevard near the city's southern entrance, Lebanese military sources reported.

The checkpoint immediately blocked the road with a Lebanese tank and an armored personnel carrier. The Israeli patrol eventually turned back, the sources said.

Tamer Goksel, spokesman for the UN Interim Force in Lebanon, confirmed Friday that Israeli troops tried to disarm a French UNIFIL convoy at Beirut's seaside suburban resort of Khalde on Thursday.

After an hourlong standoff, he said, the Israeli commander allowed the French convoy to pass.



ASSAMESE DEMONSTRATION — Assamese students marched in New Delhi on Friday to protest state elections in Assam, where hundreds have died in election violence. The sign at rear reads "Hitler Killed the Jews, Indians Kill Assamese." Page 5.

Arafat Widens His Majority on PLO Council

Compiled by Our Staff From Dispatches
ALGIERS — Despite resistance from a radical minority, Yasser Arafat succeeded Friday in placing 29 of his supporters in the Palestine Liberation Organization's parliament-in-exile, in a victory that was viewed as an endorsement of his policies.

The vote increased the size of the Palestine National Council by 11 percent and substantially strengthened Mr. Arafat's majority. The council ratified by a show of hands the nomination of 40 new council members, bringing the total to 400. All but 11 of the nominees were Arafat supporters.

Mr. Arafat's leading opponent, Ahmed Jibril, leader of the Popular Front for the Liberation of Palestine-General Command, failed in his attempt to organize opposition to the appointments. Mr. Jibril's group is supported by Libya.

Earlier, Mr. Jibril had threatened to take his group out of the PLO if the council endorsed a peace plan approved by Arab leaders — including Mr. Arafat — in September at a summit meeting in Fez, Morocco. That plan implied recognition of Israel in exchange for a Palestinian state with Jerusalem as its capital.

Analysts said the council's expansion vote on Friday, the fifth

day of its 16th session in Algiers, was a further indication of support for Mr. Arafat's policy. United Press International reported.

Moreover, Mr. Arafat remains certain to win the council's endorsement to pursue his search for a Middle East peace settlement, his associates said. "The final word on anything, including the Reagan plan, will come from the PNC," a PLO official said. "There is no doubt that Arafat holds a majority vote there."

The council will end its meetings Tuesday, two days later than scheduled, a council spokesman said. It is expected to adopt a political program similar to the Fez plan, council members said. That program would envisage a possible peace settlement with Israel for the first time but would insist on a fully independent Palestinian state with Arab Jerusalem as its capital.

The Associated Press quoted sources as saying that a Palestinian state could join in a confederation with Jordan once its sovereignty was internationally recognized.

Earlier in the meetings, speeches by Mr. Jibril and other radicals, such as George Habash, the head of the Popular Front for the Liberation of Palestine, and Nayef Hawatmeh, who leads the Democratic Front for the Liberation of Palestine, drew vigorous applause.

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moderates believed the Fez plan might be reconciled with certain parts of the Reagan proposal, particularly with regard to future Palestinian links with Jordan.

Esam Sartawi, whom Mr. Arafat assigned to contact Israelis, said the applause given to those speeches was "an attempt to appease the militants and more an expression of frustration than an attempt at implementation."

"The noisy applause should not mislead anyone," he added. "When the majority speaks up, the ovations will be far louder."

Mr. Sartawi said the radicals are conducting a "reguard action" to block endorsement of the Fez plan. He said they also hope to impose an outright rejection of President Ronald Reagan's peace initiative, which Mr. Arafat has said contains some positive points.

A PLO aide said guerrilla leaders in all-night meetings Friday night after the council closed for the day, debated alternatives to the Reagan plan and an Arab League peace plan that implies recognition but does not specifically admit Israel's right to exist.

Mr. Habash told the council Thursday, two days later than scheduled, a council spokesman said. It is expected to adopt a political program similar to the Fez plan, council members said. That program would envisage a possible peace settlement with Israel for the first time but would insist on a fully independent Palestinian state with Arab Jerusalem as its capital.

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AWACS Stay in Egypt Is Expected To Be Short, Officials in U.S. Say

*By Bernard Gwertzman
New York Times Service*
WASHINGTON — Reagan administration officials say that they expect the four AWACS reconnaissance planes sent to Egypt will remain only for a few days, unless Libya launches an attack against Sudan.

In a briefing at the White House on Thursday, a senior administration official, who refused to be mentioned by name, sought to take any sense of drama out of the recent developments in the Mediterranean, in Washington, Cairo and Khartoum over intelligence reports indicating the planning of a possible Libyan attack against Sudan.

The official said that the decision to send the four Airborne Warning and Control System (AWACS) surveillance aircraft had been made late last week by U.S. and Egyptian officials. He refused to be specific on the reason for their dispatch but linked it to Libyan actions.

"Libya has a habit, and it is unrelied for a matter of years, of intimidating its neighbors, and this applies to Chad, Niger, the Sudan and even Egypt," he said. He added that in the last week, the situation was "a little more tense" than usual.

Other administration officials, not connected to the White House, were more blunt about what they said had precipitated not only the dispatch of the AWACS planes,

but also the movements of the Nimr group task force in the Mediterranean.

According to these officials, intelligence information had been received in Cairo and in Washington suggesting that the Libyan government of Colonel Moamer Qadhafi was plotting another effort to overthrow the Sudanese government of President Gaafar Nimeiri.

One part of the plot, as reported

by intelligence sources, was an air raid by Libyan planes on Khartoum, the Sudanese capital, to take place sometime next week. When Libya began to move some of its Soviet-built aircraft into southern Libya and to bases in parts of Chad under Libyan control, Egyptian and U.S. officials decided to send the four AWACS to the air base known as Cairo West.

At about the same time the decision was made last week to send the four AWACS, the U.S. Navy also had the Nimr, the only aircraft carrier attached to the 6th Fleet, begin maneuvering away from Lebanese waters and closer to Egyptian and Libyan waters.

Although the navy has in the past sent ships close in the Gulf of Sidra, a large body of water that Libya claims is its own, the senior administration official said that this time the Nimr had stayed in waters that were indisputably international and its planes had not flown over the gulf waters claimed by Libya.

In August 1981, two U.S. Navy F-14s shot down two Libyan planes in the disputed area after the U.S. planes were fired upon by one of the Libyan planes during U.S. maneuvers over the gulf in the southern Mediterranean.

The senior administration official insisted Thursday that the movements of the Nimr group and the dispatch of the four AWACS were unrelated. He said

Qadhafi was plotting another effort to overthrow the Sudanese government of President Gaafar Nimeiri.

One part of the plot, as reported

Britain Sets \$3 Oil-Price Cut Norway Follows Move as Pressure on OPEC Builds

By Bob Hagerty
International Herald Tribune

LONDON — Britain's state-owned oil company proposed Friday a reduction of \$3 a barrel for its North Sea crude, triggering a similar price cut by Norway and raising the prospect that some OPEC members may break ranks with the cartel.

Norway, which follows Britain's lead in pricing, cut its prices by between \$3 and \$3.50. Meanwhile, there were reports that OPEC members Nigeria and Venezuela were about to reduce prices independently of the cartel. Industry sources in Lagos were quoted by Reuters as saying Nigeria is almost certain to cut its prices by about \$5 early next week, and a Caracas newspaper reported that Venezuela may reduce prices by about \$2.

In addition, the official Kuwait News Agency quoted that country's oil minister, Ali al Khalifa, as saying that two Gulf countries are offering price cuts.

"OPEC now has to sit down and get its house in order," said David Johnson, an oil analyst at the stock brokerage of Wood Mackenzie & Co. Chances for OPEC to do that remain a matter of debate.

Mr. Johnson said he sees a fairly good chance for an OPEC accord. Saudi Arabia, OPEC's biggest producer, can afford to reduce its output further, he argued, and Iran has shown signs of willingness to compromise on its production.

Among other countries widely regarded as being on the point of a price cut are Mexico, not an OPEC member, and Venezuela. Both need oil revenues to meet enormous debt payments. While a small price cut might help them increase sales, a price collapse would probably snag their efforts to reschedule loans.

Britain's oil customers now are awaiting the reaction from such countries to the price proposal by British National Oil Corp., which sets British oil prices after consulting the 80 or so companies with which it trades.

The proposal, which would bring the price of North Sea Brent and Forties crude to \$30.50 a barrel, was on the low side of predictions calling for a cut of \$3 to \$4. By trying to nudge the market down gingerly, British authorities probably

(Continued on Page 9, Col. 3)

Human Gene Is Found To Have Cancer Link

By Paul Jacobs
Los Angeles Times Service

LOS ANGELES — Researchers at Childrens Hospital and the University of California, Los Angeles, appear to have the first clear evidence of a cancer-suppressing gene in humans: a short stretch of a human chromosome that must be present and in working order to prevent the formation of an extremely rare eye tumor in young children.

Her case was doubly puzzling — there was no evidence that her family carried a defective gene. And the critical chromosome looked normal.

But the samples taken from the child were not completely normal. The scientists showed that her cells did not produce the full amount of an enzyme whose production was controlled by a spot on chromosome No. 13 that the researchers showed was very close to the gene they identified as responsible for the eye tumor.

They concluded that a short stretch of one of the two chromosomes numbered 13 that are present in all normal cells was missing. The defect was simply too small to be seen.

Then they examined tumors removed from the girl's most severely affected eye. They were surprised to find that the tumor cells had only a single chromosome No. 13, instead of two. And that was the defective one.

The discovery strongly suggested, for the first time in humans, that a cancer was the result of the absence of a properly working gene. Dr. Benedict wrote.

In one of the papers published

Friday, the researchers trace the hereditary form of the disease in three families to a small band on chromosome 13. The location on the chromosome is the same spot that the researchers showed in 1980 was responsible for the northerner form of the disease.

The newest finding strongly suggests that a single gene — a short stretch of DNA that directs a single activity in developing retina cells — is affected in all forms of the rare eye tumor, said Dr. Robert S. Sparks of the UCLA School of Medicine and Drs. A. Linus Murphree and William F. Benedict of Childrens Hospital.

In their second paper, they describe the first direct evidence of

moderates believed the Fez plan might be reconciled with certain parts of the Reagan proposal, particularly with regard to future Palestinian links with Jordan.

Mr. Arafat has not embraced the Reagan plan but has opposed outright rejection. He is due to deliver a major policy speech later in the session.

But Assem Kadi, leader of the pro-Syrian Saqqa group, has called for closer coordination between the PLO and the Soviet Union. He has rejected Mr. Reagan's plan. "We do not only reject the Reagan plan, but will struggle to thwart it," he said.

Mr. Habash told the council Thursday that the Reagan plan was aimed at destroying the Palestinian cause and was tantamount to suicide.

Meanwhile, Secretary of State George P. Shultz said Friday in Washington that the main goal of U.S. policy was to bring King Hussein of Jordan into talks with the support of the Palestinians and the Arab world.

Referring to the Palestinians, Mr. Shultz said, "I believe that unless and until they are addressed and some reasonable solution is found to the legitimate rights of the Palestinians, we will not have peace in the Middle East."

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the gene that controls the development of the eye tumor. The gene is located on chromosome 13, which is the same spot that the researchers showed in 1980 was responsible for the northerner form of the disease.

The findings come from a single patient, a 3-year-old girl with retinoblastoma in both eyes, one of which was removed because of the extent of the cancer. She was one of about 150 children a year who are diagnosed as having the disease.

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3 Publishing Officials Are Arrested in Italy, Charged With Fraud

By Henry Tanner

International Herald Tribune

ROME — Three top officials of Italy's largest and most famous publishing group were arrested Friday in Milan on charges of fraudulent bankruptcy, a new twist to a story of political and financial intrigue that goes back several years.

Arrested were Angelo Rizzoli, chairman of Rizzoli Editore; his brother Alberto, a leading board member; and the company's managing director, Bruno Tassan Din. Rizzoli Editore publishes the country's most prestigious daily newspaper, the *Corriere della Sera*, as well as several weeklies and many periodicals.

The dramatic arrests were made at dawn — a few hours before the start of a shareholders' meeting at which Angelo Rizzoli and Mr. Tassan Din had intended to resign, according to statements they issued during the previous two days.

ANS, the national news agency, reported that the charges had been brought against the three men after authorities discovered an unexplained shortfall of 29 billion lire (\$20.7 million) in the company's account.

The agency, quoting investigating magistrates in Milan, said that there were receipts totaling this amount but that the sum was not included in the company's accounts and had not been used in the operation of the company.

Rizzoli Editore asked for protection from creditors last October after Angelo Rizzoli said it faced debts of more than 280 billion lire.

The Rizzoli group has been in trouble for a long time. Forty percent of its capital was held by La



Angelo Rizzoli

Centrale Finanziaria Generale, a subsidiary of Banco Ambrosiano, which was liquidated after its head, Roberto Calvi, was found hanged in a bridge in London last year. Mr. Calvi had fled Milan after it was discovered that Ambrosiano was insolvent.

There was speculation Friday in Rome that Mr. Calvi had passed on to the Rizzoli company some of the unsecured loans he had taken on for Banco Ambrosiano.

Angelo Rizzoli and Mr. Calvi were involved in a political scandal in May 1981 when magistrates in Milan revealed the existence of a secret Masonic lodge, Propaganda Duce, or P-2. The lodge included many leading figures from the business and political world, as well as military and intelligence officers of the extreme right suspicious of having elaborate plans for taking over the government if Italy's ruling parties should ever drift to the left.

Documents released at the time showed that Mr. Calvi was member 1624 of the lodge. Angelo Rizzoli had membership card 1632 and Mr. Tassan Din was 1633.

The editor of *Corriere della Sera*, Franco di Bella, was also revealed to be a member. He resigned at the request of the journalists. Mr. Rizzoli and Mr. Tassan Din never admitted their membership in P-2.

It was widely reported at the time that Licio Gelli, who founded the lodge and selected its members, had secretly influenced the editorial and news policy of *Corriere della Sera*. He fled Italy before the existence of the lodge and its nature were made public, and is now

in jail in Switzerland on charges of fraudulent currency dealing.

Rizzoli Editore took over *Corriere della Sera* in 1974. The paper has had heavy financial losses for several years. It lost circulation during the P-2 scandal but has recently been recovering, and, with about 600,000 copies sold daily, still has by far the largest circulation in Italy.

Shortly after the P-2 scandal, Italy's leading politicians were involved in a fierce battle for control of the newspaper.

A group led by Bruno Visentini, president of the small Republican Party and head of the Olivetti electronics concern, made a bid for this.

This alarmed Bettino Craxi, leader of the Socialist Party, who believes Mr. Visentini intends to keep him from becoming prime minister. There were reports that the Socialists, who control Milan's city government, intended to buy the paper through a local real estate tycoon. Nothing came of either bid.

The gist of the Soviet offer, he said, was to achieve a mutual ceiling of 900,000 NATO and Warsaw Pact troops "independently from each side."

[In Vienna, a NATO spokesman said Friday there probably would be an immediate response by the West to the proposals, United Press International reported.]

Speaking at a press conference, General Chernov said the superpowers should set a "mutual example" with the initial withdrawal to prepare the way for large-scale troop cuts by the North Atlantic Treaty Organization and the Warsaw Pact.

The Western arms expert said the United States proposed a two-phase reduction of forces at the Vienna talks in 1979, starting with 30,000 Soviet and 13,000 American troops.

The U.S. proposal reflected the West's contention that the Warsaw Pact has underestimated its forces in the region by 160,000 troops, the source said.

Last July, Western negotiators put forward a U.S. proposal calling for a comprehensive East-West troop reduction with both sides conducting a four-stage withdrawal over a seven-year period to reach a common ceiling of 900,000 troops on each side.

Moscow's counteroffer to withdraw 20,000 Soviet troops and 13,000 U.S. troops underlined its claim that Warsaw Pact strength is lower than the Western estimate.

the differences on the question of how many troops each side now has."

In the 10-year history of the talks, the two sides have not been able to agree on how many troops are stationed in Central Europe. Each side already claims to have fewer than 900,000 troops there.

He said the Soviet Union withdrew 20,000 troops and 1,000 tanks several years ago from East Germany in a goodwill gesture, and he rejected as "hostile propaganda" Western claims that the withdrawals were meaningless because Soviet units there were later reinforced.

The Western area under discussion is Belgium, the Netherlands, Luxembourg and West Germany, and the Eastern countries are East Germany, Poland and Czechoslovakia.

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Russians Explain Plan For 5% Reduction in Central Europe Troops

The Associated Press

MOSCOW — The Soviet Union said Friday that it is willing to withdraw 20,000 troops from Central Europe if the United States pulls out 3,000 soldiers in an "initial practical step" toward major force reductions in the region.

Colonel General Nikolai Chernov of the Soviet armed forces general staff said the reductions of roughly 5 percent of the 450,000 Soviet troops and 247,000 U.S. troops in Central Europe would take place over a year and be monitored by each side.

General Chernov, providing details of the Soviet offer Thursday at the mutual and balanced force reduction talks in Vienna, said that agreeing on a procedure for monitoring the withdrawal "should not be too obscure."

The Soviet offer did not spell out a verification method, other than having observers at the exit areas during the actual pullouts, a Western arms expert in Moscow said. U.S. negotiations have proposed an annual quota of inspections on each side.

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U.S. Wants No Agenda For Summit

Shultz Says Leaders Will Set Own Topics

By Hobart Rowen

Washington Post Service

WASHINGTON — The economic summit this May in Williamsburg, Virginia, will be designed to allow President Ronald Reagan and six other heads of state to meet privately "as people ... and talk out some of the important issues," according to Secretary of State George P. Shultz.

No agenda has been discussed, he said Thursday; the leaders will develop the thoughts on what will be discussed. He left unsettled whether a final communiqué will

Other officials said that the administration is determined to prevent the three-day summit, which begins May 28, from becoming the kind of "azzle-dazzle media event" that they think most of the previous eight such conferences were.

One official said that the administration deliberately staged a kind of "nonevent" Thursday in the White House briefing room to convey the idea that the summit is likely to be a dull affair, if officials can manage it.

A clear signal was also boosted by government departments that whatever agenda emerges will be shaped by the heads of state. Mr. Shultz said that if this "shakes up as we want it to, then I suppose as a sense, you can see this as a contest between the heads of state on one hand, and the bureaucracies in government and the press on the other. We'll see which ones get their way."

He reported that Undersecretary of State Allen Balts, the president's personal representative for the summit, had found that all of the principals want to avoid the kind of agenda that would interrupt the free flow of conversation and exchange.

Reminded by a reporter that "it always starts out that way," Mr. Shultz agreed but said that "the time, those of us that are working with our heads of state are determined to see if we can't help them get their way."

A State Department official observed that by this stage before the earlier summits, a first draft of a final communiqué had been written, and that "drove the process." This time, nothing is on paper.

Mr. Shultz agreed upon the topics to be discussed with Mr. Gromyko, the Soviet foreign minister, Mr. Cheysson did not reveal the contents of the message and made no comment on the topics to be discussed with Mr. Andropov. He said, however, that his talks with Mr. Gromyko were of "remarkable density," covering a wide range of topics that proved the value of "constructive dialogue" between the two nations.

WORLD BRIEFS

Spain to Ratify Treaty With U.S.

MADRID (Reuters) — Spain will ratify a defense treaty giving the United States military facilities in the country before a May 21 deadline to avoid the bases being dismantled. Foreign Minister Fernando Morán said Friday.

But Spain would then negotiate changes in the agreement, which assumed Spanish membership to the Atlantic alliance, Mr. Morán told a parliamentary commission on foreign affairs. Spain joined the North Atlantic Treaty Organization in June 1982 but the Socialist government, when it came to power in October, froze integration with the military wing.

Spain and the United States agreed to study changes in the treaty, which gives the United States use of one naval and two air bases, during a visit here in December by U.S. Secretary of State George P. Shultz.

Danes to Vote on Polish Sanctions

COPENHAGEN (AP) — Denmark's minority center-right government decided Friday to introduce a bill to seek continued Danish adherence to economic sanctions against the Soviet Union over Poland, despite the refusal of a majority led by the Social Democrats to accept a renewal in committee.

The sanctions expire at the end of February, but the 10 EC countries have already agreed in consultations to renew them. At a session of the market affairs committee of the Folketing, Denmark's parliament, the Social Democrats refused to accept an extension without a parliamentary vote.

Social Democrat spokesmen doubted the wisdom of continued sanctions and said they could no longer accept that an EC treaty aimed at dealing solely with economy is automatically used for political purposes. But they did not exclude the possibility they would vote for the bill, which will be introduced next week.

Cheysson to See Andropov Monday

MOSCOW (AP) — Claude Cheysson, France's minister for external relations, said Friday that he would meet Yuri V. Andropov, the Soviet Communist Party leader, on Monday. Mr. Cheysson extended his official visit by two days in a gesture apparently aimed at improving relations between France and the Soviet Union.

The meeting will be Mr. Andropov's first with a senior Western minister since he conferred with foreign dignitaries at the funeral of Leonid I. Brezhnev in November.

Mr. Cheysson arrived Wednesday in Moscow carrying a personal message to Mr. Andropov from President François Mitterrand.

At a press conference after talks with Andrei A. Gromyko, the Soviet foreign minister, Mr. Cheysson did not reveal the contents of the message and made no comment on the topics to be discussed with Mr. Andropov. He said, however, that his talks with Mr. Gromyko were of "remarkable density," covering a wide range of topics that proved the value of "constructive dialogue" between the two nations.

Claude Cheysson

Bonn Says Soviet Aide Held as Spy

KARLSRUHE, West Germany (AP) — The West German Interior Ministry said Friday that a member of the Soviet Trade Ministry was being held on charges of espionage, but denied that the man was the leader of a Soviet spy ring.

"He is being held on charges of espionage, but to say anything more than that now would be an exaggeration," said the Federal Prosecutor's Office spokesman, Michael Butz. The Federal Prosecutor's Office announced that a Soviet citizen had been arrested while trying to buy plans for coding machines used in countries belonging to the Atlantic alliance. A spokesman denied that the man was part of a wider spy ring.

A Foreign Ministry spokesman said the arrested man did not have diplomatic immunity but declined to give further details. The tabloid newspaper, *Die Zeitung*, named the man as Batachek, but the prosecutor's office refused to confirm the report. The Soviet Trade Mission confirmed that it had an employee named Batachek and that he did not have diplomatic status.

Controlling U.S. Military Budget: Long-Term Planning Seems the Only Solution

By Charles Mohr
New York Times Service

WASHINGTON — Congress can cut military spending, as a chorus of voices is asking, but it has few tools to reduce the constantly growing costs of buying and operating a military force, which may be the only way to achieve control of the Defense Department budget.

This is only one of several gloomy assessments that analysis in and out of Congress are making as initial hearings on the military budget begin in Senate and House committees.

Complex problems in reducing the military budget arise most acutely in the category of buying weapons and equipment. These purchases account for 34 percent of President Ronald Reagan's military budget request for the 1984 fiscal year, the largest single share of military spending. Long-range plans will raise that share to 39 percent by 1988.

Some well-informed analysts believe that if Congress came to accept the idea that controlling the military budget could be accomplished

only by actions stretching over several years, rather than those confined to one year, many of these problems could be overcome or made less intractable.

One problem is that if Congress merely cuts away from funds requested for a given weapon, the savings achieved in the 1984 fiscal year,

NEWS ANALYSIS

which begins Oct. 1, are likely to be offset by higher spending on the same weapon in later years.

The air force is asking \$2.13 billion in the 1984 budget for 48 F-15 fighter planes and spare parts. Congress may well reduce that request slightly, but if it does not take action that would encourage or force the air force to reduce the number it plans on, the air force might postpone buying some of the aircraft until a later year. It would also probably need to increase the years the F-15 would be in production.

This would increase the unit cost of each F-15, already \$40 million. Very few Pentagon

weapon programs are even near economical production rates, the point at which the production of additional units no longer lowers costs. Reducing the annual production of items that have not reached this point therefore increases the price of each item.

Moreover, stretching the purchases over a greater number of years increases exposure to inflation. Military modernization would also slow.

Some members of Congress are likely to argue that such results must be accepted to relieve the pressure exerted on the federal deficit and the economy. However, reducing or canceling weapon programs usually brings relatively negligible reductions in spending in the current budget year.

Much of the spending in a fiscal year arises from contract obligations approved by Congress and incurred by the Pentagon in previous years. Analysts in the Congressional Budget Office, for example, recently recommended canceling the navy's F-16 fighter bomber program, which is just entering the production phase, but

calculated that the savings in the 1984 budget year would be negligible.

In dealing with the 1983 military budget, Congress cut \$19 billion from Mr. Reagan's appropriation request, which included authority for some spending in later years. However, actual spending for the year was reduced only \$7 billion. Most of those savings were achieved in the five-year savings of almost \$40 billion.

They estimated that canceling the MX missile program would save only \$3 billion in 1984. However, the Air Force estimates the remaining cost of the MX program at more than \$26 billion in current dollars, a figure that could be expected to swell in inflated future dollars.

In many cases, outright termination or cancellation of selected weapon programs would lead to slightly larger immediate savings than a large number of relatively small reductions in many programs.

There are, at least theoretically, other attractive advantages to canceling a few programs rather than nibbling at many. Each weapon system that comes into use increases the spending

on readiness, which includes the cost of spares, people and equipment to maintain the weapon, ammunition or other stockpiled material.

On the basis of experience, there may be little reason to hope, however, that either Congress or the Pentagon will agree to canceling major weapon programs and budgeting the rest at economic production rates.

"Canceling an established program is extraordinarily difficult," said William A. Long, the deputy undersecretary of defense for acquisition policy. He said each weapon developed a constituency in Congress, in its armed service and in industry.

About 50 members of Congress are members of a "military reform caucus" that in general favors adopting less complex and less expensive weapons and buying them in larger numbers. But Congress cannot design weapons or even effectively oversee the process. Such change in military philosophy must come in the executive branch. The uniformed and civilian bureaus in the Pentagon have successfully resisted such efforts in the past.

Arms Nominee Vows Fight in U.S. Senate; Floor Battle Possible

By David Shribman
New York Times Service

WASHINGTON — Kenneth L. Adelman, President Ronald Reagan's choice to be the nation's chief arms control official, says he will fight to win confirmation in the Senate, where his nomination has been under criticism.

Mr. Adelman's remarks Thursday, combined with Mr. Reagan's insistence that the Senate accept his choice for director of the Arms Control and Disarmament Agency, set the stage for a confrontation between the White House and Capitol Hill and raised the prospect of what one Republican senator described as a "debilitating, demeaning experience."

The Senate Foreign Relations Committee put off a vote on the confirmation of Mr. Adelman, the deputy U.S. delegate to the United Nations, after it became apparent Wednesday that his nomination would not win committee endorsement.

As administration officials redoubled their efforts Thursday to gain support for Mr. Adelman, senators from both parties acknowledged that Mr. Reagan might prevail in a floor battle but nonetheless renewed their plea that he make a new selection to direct the arms control agency.

In New York, Mr. Adelman said he had consistently advocated "strong arms control with real reductions." Regarding published remarks attributed to him two years

ago characterizing arms control negotiations as a "sham," he said in a prepared statement: "These were not my views then and are not my views now. I have no recollection of making any such statement at any time."

The Foreign Relations Committee chairman, Charles H. Percy, Republican of Illinois, said he expected the panel to vote next week. Republicans are then likely to have to bring Mr. Adelman's nomination to the Senate floor without committee approval.

Though this is not unprecedented, some Republicans said they hoped the White House would not insist on pressing the issue.

But on Thursday, the White House re-emphasized the president's endorsement of Mr. Adelman, asserting that Mr. Reagan "could not be stronger for a nominee than he is for this individual."

Larry M. Speakes, the president's spokesman, added that Mr. Reagan believed "it would send a wrong signal to the allies and to the Soviets if he did not get his nomination for this position."

"I am afraid we are in a very difficult, awkward, no-win situation," said Senator Larry Pressler of South Dakota, one of two Republicans to oppose Mr. Adelman in the committee. "If the president goes forward he can confirm him, but to do so there would be a bitter debate on the floor of the Senate and Adelman would go to Europe a crippled official."

Mr. Adelman, 36, was nominated to replace Eugene V. Rostow, who was dismissed in January. Mr. Adelman worried committee members with incomplete answers in his first confirmation hearing failing to convince some of them that he was a vigorous advocate of arms control negotiations and leading some Democrats to charge that his nomination was an indication that the Reagan administration lacks commitment to arms negotiations.

"There was concern from the beginning whether Reagan would be a one-term president or not," said one of his former field directors. "There hasn't been enough concern for keeping the 1980 coalition intact."

"I realize that my confirmation has become a vehicle for a larger debate on arms control policy," Mr. Adelman said Thursday. "The real issue is whether the Senate Foreign Relations Committee is prepared to support the president in trying to achieve real arms reductions and will support him in getting about that task now."



LAUNCHING A CAMPAIGN — Senator Gary Hart of Colorado, 45, announcing his candidacy for the Democratic presidential nomination in Denver, with his wife, Lee, and his daughter, Andrea. He said he would campaign for responsible yet humane spending policies, and would stress matters of concern to the U.S. West.

Reagan's Silence on '84 Candidacy Is Making Conservatives Restless

By Lou Cannon
and David S. Broder
Washington Post Service

WASHINGTON — Restless conservatives impatient for President Ronald Reagan to signal that he will be a candidate for re-election are taking matters in their own hands with a series of informal meetings designed to promote his candidacy.

The meetings, confirmed by several key Reagan political operatives from past campaigns, are intended to fill a political vacuum that has become increasingly worrisome to some of the president's original supporters.

"There was concern from the beginning whether Reagan would be a one-term president or not," said one of his former field directors. "There hasn't been enough concern for keeping the 1980 coalition intact."

"I believe First Amendment rights apply to politicians," he added.

But the White House is concerned that zealous backers of the president may inadvertently take actions that would make Mr. Reagan speed up his own timetable. He is said to have made no decision on whether to run again, but many of his top aides predict that he will be a candidate.

Senator Laxalt, who said that he does not think any announcement is likely before late this summer, discounts the need for Mr. Reagan to send any additional signals at this time.

"I don't find anyone in the Reagan family who doubts he's going to run," said the Nevada senator, who is close to the president.

But some equally loyal to President Reagan do not share this view.

They point out that Mr. Reagan

is 72 and that doubts persist about whether he wants to spend six more years in the White House. They express concern that the White House staff does not understand the effort required to put a campaign organization together, even by an incumbent president.

A compromise may be in the off-

ing that would give the members of the congressional subcommittees investigating the charges access to all the documents, with assurances of confidentiality to prevent public dissemination and to satisfy the administration's insistence on preserving the principle of executive privilege.

Larry M. Speakes, the White House spokesman, said Thursday that Mr. Reagan had not meant to suggest at his news conference Wednesday night that he would simply surrender the documents to House subcommittees that have subpoenaed them, even if the documents did contain evidence of wrongdoing.

What Mr. Reagan said was that he would "never invoke executive privilege to cover up wrongdoing and that he had ordered the Justice Department to make a complete investigation of 'every charge that is made.' He added: 'I can no longer insist on executive privilege if there's a suspicion in the minds of the people that maybe it is being used to cover some wrongdoing. That we will never stand for.'

Several members of Congress and others have made broad charges of criminal wrongdoing at the agency, including the shredding of subpoenaed documents, perfidy, "sweetheart" settlements with toxic waste polluters and political manipulation of hazardous waste enforcement proceedings.

In other developments Thursday, Rita M. Lavelle, who has been removed as head of the EPA's hazardous waste program, did not appear as expected at a House subcommittee hearing on her activities at the agency.

But an appointment calendar that she surrendered Wednesday to

The International Herald Tribune and Trans World Airlines take pleasure in inviting a select number of French management executives to take part in

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Herald Tribune

INTERNATIONAL
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The Adelman Debate

Stick With Him

President Ronald Reagan intends to stick with his nomination of Kenneth Adelman as director of the arms control agency, notwithstanding the delay imposed by a closely divided Senate Foreign Relations Committee. So the consideration of the appointment will go on. We have been reviewing Mr. Adelman's record and going over the new material brought out in the committee, and we remain convinced that he is a reasonable choice.

True, Mr. Adelman is not the experienced arms control figure who might easily baffle some senators' doubts about his conservative inclinations. Nor does his nomination seem to fill the longing of some senators for someone who can conceivably move the president off what they see as his wrongheaded approach to the arms control talks.

But are these the standards by which a mid-term nominee must be judged? Is not a president entitled to a choice who no novice in the field has earned a promotion and shares his purposes? Ambassador Adelman is a scholar and policy analyst whose government service includes a year on the inside as aide to a former secretary of defense and two years on the firing line at the United Nations.

Mr. Adelman managed in his second bearing to quell most of the doubts he raised in his first about his capacity to cope with the material. Still, serious senators were left with questions about his views — or, better, about his commitment.

His views are mainstream conservative. He challenged the 1970s SALT process along lines that have since become established Reagan policy — namely, that SALT did not produce real arms reductions, suitable strategic stability or substantial cost savings. Much criticism of his ostensible lack of commitment seems to focus on a report that in a 1981 interview he called arms control a "sham." Mr. Adelman says he recalls no such interview or statement, and he furnishes a range of publications indicating a precisely opposite view.

The heart of the problem, it seems to us, does not lie in Mr. Adelman's commitment. It lies in the widespread public anxiety over Mr. Reagan's commitment. Some senators are plainly playing politics with the nomination. Others have seized on it as one of their few opportunities to send the president a message. There is a certain unhappy tradition of the Senate's using hearings on the arms control directorship for this purpose. In any event, the senators have delivered their message. They should allow Mr. Reagan to get on with his arms control policy, for which, of course, he will be held accountable.

— THE WASHINGTON POST.

A Costly Error

With a stubbornness that often serves him well, President Reagan bids the Senate to suppress its misgivings and confirm Kenneth Adelman as head of the arms control agency. With apparent innocence the president declines the invitation to reconsider, which came when the Foreign Relations Committee delayed rejection of the nominee:

"Well, either way I would lose them, wouldn't I? What's the difference whether I surrender or they beat me by one vote?"

Here is the difference: If he shifts to a more suitable nominee, Mr. Reagan would lose only a momentary battle, attributable to hasty staff work. If he tries to ram the appointment through, he will lose the chance to bring needed technical skill to his diplomatic team and lose more ground in the effort to demonstrate his commitment to arms control.

Far from surrender, a better appointment could be a diplomatic and political gain.

The director of the Arms Control and Disarmament Agency is a highly visible official who traditionally symbolizes America's devotion to halting the nuclear arms race. Often he is also functionally important, possessing the expertise to contest the Pentagon and the diplomatic skill to contest the Russians. The Reagan administration needs a distinguished appointee on both counts.

Neither the president, nor his national security adviser, nor his secretary of state or defense has ever wrestled with the intellectual problems of controlling nuclear arms. None has ever wrung a plausible negotiating bid on arms control from Washington's contentious bureaucracies. None has ever tried to codify an important agreement with the Soviet Union. And, as Senate leaders of both parties now recognize, neither has Mr. Adelman.

The president well-summarized Mr. Adelman's qualifications: "The young man is... well-educated... very intelligent... [with] experience... at the United Nations and all..." — the latter mostly diplomacy to Africa. Senator Charles Mathias scored him for taking "a crash course" in agency issues. Even Republicans who found him a "convinced" arms control supporter could not find him a convincing leader for such diplomacy.

Their skepticism is not partisan, as Mr. Reagan pretends. It is protective of a president whose approach to arms control, if not wrongheaded, has led to disastrous misperception around the world.

This problem arose because Mr. Reagan judged it a mistake to have named Eugene Rostow to the job two years ago. It would be a costly blunder to compound the error now.

— THE NEW YORK TIMES.

Garbage Everywhere

Mount Everest is not the "there" it once was. It is a high-altitude dump strewn with the detritus of its climbers: tents, oxygen bottles, tinned food, cooking gas, pots and plates and plastic bags. The government of Nepal is concerned. "We are willing to take strong action" to enforce anti-litter rules, an official says.

The man to the moon still sees us, but think of him now as faintly pooped — by flags, lunar modules, film magazines, lens brushes. Space has not only stars but working satellites, dead satellites, spent rocket sections, a camera someone dropped and an astronaut's glove. Venus and Mars are burdened with vehicles.

If humankind were not so colossally careless, this planet would not be so wondrously open a book. But space and stars are not of

— THE NEW YORK TIMES.

Other Opinion

Some Common Interests

The United States and China are really new friends. There are still a number of differences between the two that remain to be ironed out. But the cooperative efforts of the two countries have been increasing steadily in recent years, and there are broad areas where their strategic interests converge.

Two issues in particular and one in general stand out. The specific issues are Afghanistan and Cambodia. The United States and China are both deeply concerned about the Soviet thrust into Afghanistan and want the Soviet occupation army out. Both governments vehemently oppose Vietnam's intervention in Cambodia, which is being carried out with Moscow's direct support.

The more general issue is the Soviet Union's overall military influence in Asia. The Soviet role in Afghanistan and Cambodia, along with its continuing military presence along the Chinese border, raise grave questions about the Kremlin's long-term intentions in the Pacific. China is affected by the threats to its security along its border, and the United States by its longstanding economic and strategic interests in Asia.

— *The Neue Zürcher Zeitung* (Zurich).

FROM OUR FEB. 19 PAGES, 75 AND 50 YEARS AGO

1908: 2 Held in Paris Spy Case

1933: Mann Praises Hemingway

PARIS — Ernest Hemingway is judged the most important of the younger American writers by Thomas Mann, German novelist and Nobel Prize winner. He said: "American literature, as an essential aesthetic achievement, already exists. He thought 'Theo'... Dreiser, not Sinclair Lewis, should have received the Nobel Prize for Literature in 1931. "I feel that Dreiser's work is more vast, more complete," he said. "Of course, I admire Sinclair Lewis's work very much." Referring to John Dos Passos, Mann said, "His description of war and the bitterness of wartime experience is unique." He said both Hemingway and Dos Passos have their imitators in Germany.

They have arrived to celebrate the wedding of one of the soldiers with a local girl. The wide wooden floor of the store has been cleared, the room decorated with streamers and there is dancing and food — simple fare without meat.

It all seems far from the fighting on the northern Honduran border, where a similar patrol had a day before come under heavy fire from anti-Sandinist guerrillas.

For now this southern border with Costa Rica is quiet. In two days of traveling up river on the army barge, the only flurry of military activity was when the anti-aircraft gunner decided to use his weapon, unsuccessfully, on birds nesting in the banks.

However, it might not stay peaceful.

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Directeur de la publication: Walter N. Thayer.
Gen. Mgr. Asia: Alain Lecour, 24-34 Hennessy Rd, Hong Kong. Tel. 5-28561. Telex 61170.
S.A. au capital de 1.200.000 F. RCS Nanterre B-3202126. Commission Forture No. 34231.
U.S. subscription: \$256 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
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The U.S. and China: A Limited Alliance

By Michael Parks

BEIJING — The strategic partnership that China and the United States spent most of the past decade fashioning has given way with the visit here of Secretary of State George P. Shultz to the realization that the two countries are simply not natural allies.

Each perceives the Soviet Union as threatening its security, but in such different ways and for such different reasons that efforts to develop a projected "alliance of interests" have failed.

Before his departure, Mr. Shultz rejected the idea of Chinese-American relations based primarily on strategic considerations, although this was undeniably the American motive from President Richard M. Nixon's opening to China in 1972 through President Jimmy Carter's establishment of full diplomatic relations on Jan. 1, 1979.

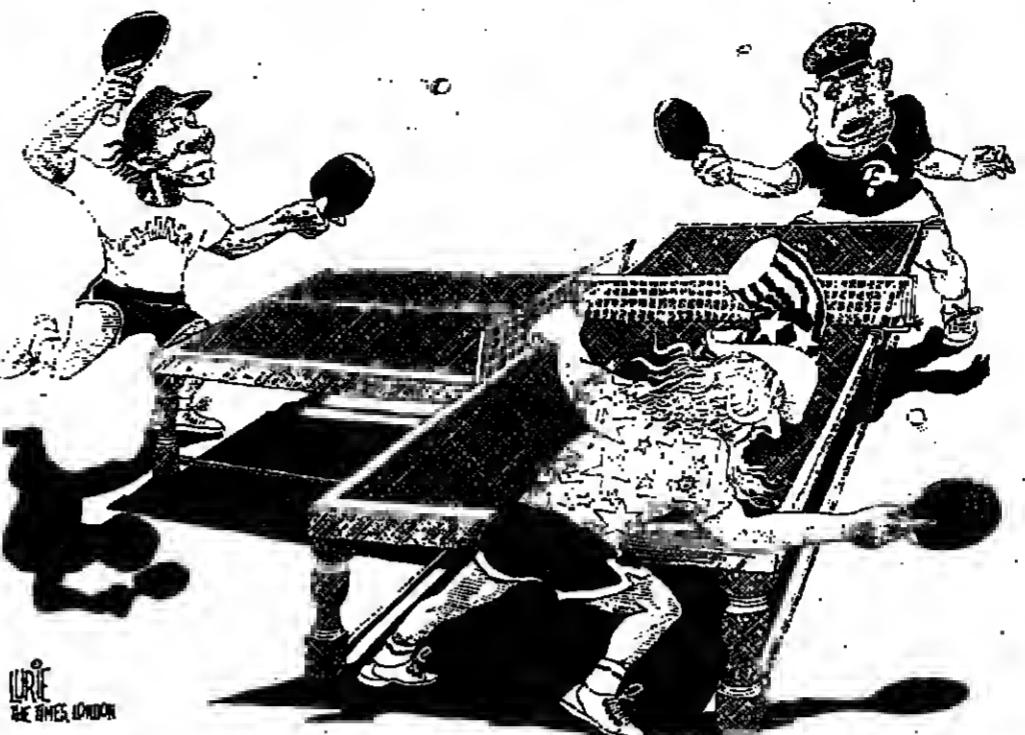
But the strategic cooperation both countries envisaged, particularly in light of the Vietnamese invasion of Cambodia and the Soviet occupation of Afghanistan, never materialized.

China and the United States have quarreled repeatedly and bitterly over Taiwan, especially over American arms sales to the Chinese Nationalists there. To the chagrin of conservatives in the Reagan administration, Beijing responded to Soviet overtures and opened a dialogue with Moscow last year. The offer of American weapons and military technology to modernize the Chinese Army was never taken up — and might not have been honored if it had been. Small disputes, ranging from textile exports to the United States to the defection of Chinese athletes, helped to create an atmosphere of mutual suspicion.

The result has been that each country has now recast its foreign policy, accepting as a working premise that any serious threat to the other affects its own interests, but abandoning plans to coordinate their activities to check the expansion of Soviet influence.

For the United States, this means that China is regarded as a regional power with a limited though recognized role to play in international affairs.

Washington would like good relations with Beijing, which has become a major U.S. trading partner to the past four years, but is resigned to the fact that normal re-



lations with the United States is unlikely to limit and gradually reduce American arms sales to Taiwan, Mr. Shultz declared again and again.

But the Chinese leaders called for "actual deeds rather than empty words and promises," the New China News Agency reported, quoting Mr. Deng and Mr. Zhao.

This confronts the Reagan administration with the difficult decision of whether to work out detailed limits for future arms sales and a timetable for their reduction — steps Washington has refused to take, for it would mean negotiating with Beijing the actual weapons it would provide to Taiwan.

Yet how else can Washington give Beijing tangible evidence of good faith on the Taiwan issue?

A more immediate test of the new Chinese-American relationship will be the speed and ease with which China and the United States resolve other problems, such as limits on Chinese textile exports to the United States, increased transfer of high technology to China and cooperation on the development of nuclear power.

A second test will be China's comments on U.S. policies around the world. Mr. Shultz contended before his talks here that most of the

Chinese criticism of the United States was due to misunderstanding of American intentions and that the two countries' interests often were parallel. Mr. Wu said after the visit that some measures of agreement had been reached, but that China remained critical on other issues.

Finally, China's talks with the Soviet Union will be closely watched. Although both sides say that the discussions, due to resume next month in Moscow, are proceeding slowly, some diplomats here believe the Kremlin is prepared to discuss a troop pullback on parts of the 4,500-mile (7,200-kilometer) common border. That would be significant.

The balance of power in the world usually does not change any more with great flashes of lightning and volcanic upheavals, but rather with quiet recognition of shifts that have already occurred," a West European ambassador remarked after the Shultz visit. "That appears to be what has happened here. The Sino-American alliance, which was probably never meant to be, has finally dissolved, leaving us all waiting to see what will emerge instead."

The writer is the Los Angeles Times correspondent in Beijing.

Is Stability An Enemy Of Growth?

By J.W. Anderson

WASHINGTON — The hunt, on, among scholars and politicians, for a plausible explanation of the economic stagnation in the world's most productive industries. Growth of output has been more or less zero in North America and Western Europe for more than three years. The conventional reasons are weakening thin.

For 25 years, beginning in the 1940s, the industrial democracies enjoyed the most rapid rise of wealth and living standards in history. Economic growth began to slow sharply after the oil crisis of 1973 and, around the end of the decade stopped. In the United States, West Germany and Britain, output is a bit lower than in early 1979.

To blame it all on oil prices, or unstable exchange rates, is no longer persuasive. Inflation has had something to do with it, but inflation is much the effect of low growth as cause. What else was happening?

One illuminating answer comes from the economist Mancur Olson in his recent book "The Rise and Decline of Nations." He observes it in most countries during long periods of peaceful development "without upheaval or invasion," tend to organize themselves to protect their own livelihoods — and effect is invariably bad for economic growth.

Along with much else, World War II destroyed a great tangled network of producers' cartels, trade associations and legal restrictions that hampered economic growth in continental Europe. In contrast, the United States, which was farthest from the destruction, has had the lowest rate of economic growth in the industrial world over the past three decades, and Britain, closer to the center, but never invaded, has had the lowest.

Mr. Olson argues that "with a British society has acquired so many strong organizations and collusions that it suffers from an institutional sclerosis that slows its adaptation to changing circumstances and technologies."

Conventional theory holds the strong and stable political system important to economic development. If that is true, why did growth remain consistently high in France in the late 1950s, when the country teetered on the edge of a military coup over Algeria? And higher still Italy?

At a time when the organization of special-interest groups might otherwise have begun to slow down continental economies, the arrival of the Common Market and the dismantling of tariffs forced on it another wave of disruption and expansion. It was Britain's historic bad luck to join the Common Market years after it was founded, just as it was finally slowing down.

International trade becomes less important than ever, if you accept Mr. Olson's logic. He points out that international markets are exceptionally difficult for anyone to organize and control. Foreign trade diminishes the ability of domestic producers to manage their markets to their own advantage. You can see the resulting protectionism campaigns by trade unions and labor unions, both in the United States and in Europe, to hold down the menacing flow of imports.

Economics is based on the assumption that people want to get rich. But real economic growth, at least in the United States, is a deeply threatening force. It may destroy the worker's present job and push him toward another place, perhaps even in another country, like Italy, Honduras, Panama, to cite examples. The ideal objective would be the removal of all outside involvement in the internal classes — American as well as Soviet and Cuban. Some kind of multinational forces and institutions would be mobilized to make and keep the peace.

That is a tall order, and also a measure of how dismal the prospects look. Congress is increasingly restive. Scorn for the certification ritual for El Salvador spares talk of cutting the present military-aid level (roughly \$26 million annually), even as the administration talks about the possible need to quadruple it.

He would like to energize a concert effort by the countries in the area with the most to gain by defusing the East-West aspect of the conflict (Mexico, Venezuela, Colombia, Costa Rica, Honduras, Panama, to cite examples). The ideal objective would be the removal of all outside involvement in the internal classes — American as well as Soviet and Cuban. Some kind of multinational forces and institutions would be mobilized to make and keep the peace.

Hardly anybody opposes growth in principle. But most people are pretty good at organizing themselves for protection against it, in ways that slow growth down.

Is Mr. Olson arguing that politics and social stability are bad? Of course not. But he is offering political solutions that are completely paradoxical.

Every government in the world looks for the remedy to implement and other kinds of social disciplines throughout the democracies, people are busy building protective countervailing campaigns by trade unions and labor unions, both in the United States and in Europe, to hold down the menacing flow of imports.

Economics is based on the assumption that people want to get rich. But real economic growth, at least in the United States, is a deeply threatening force. It may destroy the worker's present job and push him toward another place, perhaps even in another country, like Italy, Honduras, Panama, to cite examples. The ideal objective would be the removal of all outside involvement in the internal classes — American as well as Soviet and Cuban. Some kind of multinational forces and institutions would be mobilized to make and keep the peace.

Given the Sandinists' penchant for paranoia one can expect that as the arm of repression will reach farther. This is not the idyll the revolution promises.

The country, like the Rio San Juan, is flowing through a jungle.

The writer's visit to Nicaragua was financially supported by UNICEF. He contributed this article to the International Herald Tribune.

"anesthetic for the young men — to take their mind off the country's economic problems."

All this is not to say that the Sandinists have lost their popularity countrywide. Senior U.S. diplomats in Managua consider that the Sandinists are secure and that serious opposition is confined to older members of the middle class. Nevertheless there is enough dissent to cause the Sandinists continuing unease.

Given the Sandinists' penchant for paranoia one can expect that as the arm of repression will reach farther. This is not the idyll the revolution promises.

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The writer's visit to Nicaragua was financially supported by UNICEF. He contributed this article to the International Herald Tribune.

LETTERS TO THE EDITOR

Not Denied by All

Regarding "The Jerusalem Ethic" (IHT, Feb. 14):

The New York Times editorial on the Sabra/Chatila massacre report states, "It thus drew the chain of responsibility from the Christian Phalangists — whose barbarity is still unapologetically denied in Beirut.... Please note it is denied only by the Phalangists."

CARRIE N.M. THOMPSON, Beirut.

Greed and Futures

Regarding "Greed and the Predator Ethic: One Victim Is the Economy" (IHT, Jan. 26):

Mr. Samuelson rightly observes that there has been a growth in effort spent to win wealth from others. He criticizes this trend because such effort is not productive in the sense that it does not contribute to economic well-being.

He might have cited the growth in property-related criminal activity to

support

ARTS / LEISURE

The Many Faces of Leonard Baskin

By Max Wykes-Joyce

International Herald Tribune
LONDON — If one mentions the name of Leonard Baskin to a British collector, connoisseur or gallery-goer, the chances are strong that he will be thought of as a remarkable printmaker, especial-

ly associated with the poetry of Ted Hughes, many of whose books he has illustrated, starting with "Crow" in 1973.

Illustration, however, is the wrong word. Leonard Baskin agreed last week in the gallery where an exhibition has been

mounted to celebrate his 60th birthday. For the woodcuts that appear in, for example, "A Primer of Birds" are works of art in their own right, parallel to, rather than illustrative of, the texts, and inspired by a likemindedness in poet and artist.

Although there has been comparatively little opportunity to see Baskin's sculpture in England, I suggested that he was primarily a sculptor, recalling his work in the Battersea Park show of the early 1960s, and that his prints and drawings, though eminently sculptural, were five-finger exercises.

"Rather more than that. Though the greatest struggle goes on in the making of the sculptures, I will agree five-finger exercises if you will concede they are in the manner of Bartók," that is to say, exercises in transcendental technique.

After wartime service with the U.S. Navy, Baskin studied sculpture in Paris and printmaking in Florence. Had he any teacher whom he especially respected? "Not really! In Italy there was a quite unknown studio assistant named Margheri who taught me a great deal about etching. In Paris I spent most of my time in the Louvre, studying the masters. And I've always been much moved and inspired by Barlach and Kollwitz. And as you can see from the exhibition, I am a person of many admissions."

The show includes woodcuts, wood engravings, lithographs, monotypes, and bronze relief portraits of Blake and his circle, Goethe, Beckmann, Kirchner, Corot, Rembrandt, Goya, Velazquez, Mantegna, and the Americans Thomas Eakins and Augustus Saint-Gaudens. Why the Irish-born academic sculptor Saint-Gaudens (1848-1907), whose best-known work is the Admiral Farragut Monument in Madison Square

and the early '70s it produced more and than a hundred books, it remained dormant for a decade, until the 1981 "Primer." The next publication will be Baskin's "Diptera — 34 Etchings of Insects."

This is a relatively minor project among a number of major ones Baskin is a sparklingly energetic artist. "Scheduled for next year I have a show of sculpture, drawings and graphics at the Kunsthalle, Mannheim; and, imagine the joy this gives me, a show of 80 graphics and 40 drawings at the Albertina in Vienna." And in terms of sculpture? "You know about the Roosevelt Memorial in Washington? The design for the memorial is by Lawrence Halprin. It is to be a collaboration between three sculptors — George Segal, Robert Graham and myself. It will treat of Roosevelt's life in a symbolic way — leading to a relief portrait 30 feet square."

Baskin spoke of this gigantic task not lightly, but as if, though struggling, it would be it would, with God's grace, be a battle in which he would triumph.

Honour to Leonard Baskin,
Leinster Fine Art, 9 Hereford Road,
London W2, to March 20.

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Leonard Baskin

The Immortal Bernhardt

By Thomas Quinn Curtiss

International Herald Tribune

PARIS — The most enduring mark left by a performing artist on the history of the last hundred years was imposed by Sarah Bernhardt. Her name has become synonymous with historic grandeur. Every actress today yearns to be what the fabled star was.

"A player's name is writ in water," David Garrick, the great actor of 18th-century England, once gloomily complained. The actor's art, true enough, vanishes with him, but the legend of certain players — Garrick among them — survives.

The animated image of Bernhardt may be seen in the flickering, faded visions of the cinema's infancy. Her voice may still be faintly heard in her recitations recorded in her twilight zone. But such remains offer feeble evidence of her powers in her prime.

Her note of pathos touched Queen Victoria and later Lenin. Victor Hugo knelt before her in gratitude for her playing of Dolia Sol in "Hernani."

Although March 23 will mark the 60th anniversary of her death, time has not staled her amazing story. New biographies continue to appear, together with volumes of photographs, portraits and posters. Plays about her abound on stage and television. A dozen movie actresses have threatened to impersonate her on the screen. As yet only one has ever dared: Gina Garbo "The Divine Woman," a silent and apparently lost film based vaguely on incidents of Bernhardt's early career.

An enemy actress once dubbed Bernhardt "Sarah Barrm." There was a grain of truth in the insult. She had the circus impresario's instinct for showmanship. Always in the news, she was one of the most famous women in the world for more than 60 years.

She was born in Paris, the illegitimate daughter of a Dutch-Jewish mother and a Belgian. Her mother was a courtesan of the Second Empire and it was one of her mother's lovers, the Duc de Moray, half-brother of Napoleon III, who advised that she be taken from a Versailles convent school and entered as a pupil in the Paris Conservatoire. She made her debut at the Comédie-Française in 1862, playing a small role in Racine's "Iphigénie." Her initial success came later in 1869 at the Odéon and during the Franco-Prussian War she converted the theater into a hospital for the wounded and

neglected scenes from her tumultuous past. In a second interlude the two converge for a midnight session of recollections in her boudoir.

Part of the title refers to the alleged cry of the crayfish on being thrown into the boiling water of the kitchen pot, in a word, the hopeless, objection to inexorable destiny.

Delphine Seyrig, an actress of charm and versatility, suggests the venerable tragedienne as she reappears, now with melancholy resignation, over the experiences of long ago. Georges Wilson, who has written the translation and staged the tragi-comedies, plays the confused stooge with a flair for grotesque humor."

This wistful, respectful tribute to the divine Sarah, diverting and occasionally poignant, is sanguine in its tact. To call on any actress to illustrate Bernhardt performing Racine, or even Sardou's gory melodramas, would be to court calamity as all who have witnessed such dreary exercises are aware.

"You, gentle reader, might not care to visit an execution — especially not that of a personal friend," wrote Max Beerbohm ironically of this confession. "But, then, you see, you are not a great tragedian. Emotion for emotion's sake is not the law of your being."



Sarah Bernhardt in "Theodora," written for her in 1884.

She was the pet of royalty and the literati. She kept a menagerie of wild animals in her luxuriant apartment. She took to the air not in a captive balloon, but in a free-flying one. She visited Thomas Edison in Menlo Park and the light-bringer recorded her voice. Her love affairs were scandalous and unceasing. Her last lover, Lou Tellegen, escaped to marry the American opera diva, Geraldine Farrar. She was more than 70, but she reacted to this desertion like a schoolgirl. At the outset of World War I she was obliged to have her left leg amputated. With a wooden leg she continued to tramp the boards and undertake far-flung tours. She was in the midst of rehearsing for a new play and making a motion picture when death overtook her. She insisted on acting before the camera even when she had been confined to bed.

Her talent was not limited to her acting. The creative artist can be detected in her essays in sculpture, painting and dramatic literature. She tossed off a novel and revealed her courage in topical disputes by taking a pro-Dreyfus stand during the notorious case that divided France, estranging her temporarily from her own son.

Her autobiography, recently republished, is an astonishing work disclosing a most complex personality. She was violently opposed to capital punishment. When the anarchist Vaillant, whom she knew and liked, was sentenced to death, she bewailed his fate, but she waited all night on the balcony of a first-floor flat to see his execution.

"If there's anything more remarkable than watching Sarah act, it's watching her live," declared the dramatist, Victorien Sardou. "She could enter a convent, discover the North Pole, kill an emperor, or marry a Negro King and it would not surprise me. She is not an individual but a complex of individuals," another admirer explained.

A play, "Sarah et le cri de la langouste" (at the Théâtre de l'Œuvre) seeks to offer a glimpse of the flamboyant star in her decline at her summer residence at Belle-Ile-en-Mer, off the Breton coast. Adapted from the original in English by the Canadian John Murrell, it lifts its curtain on Sarah, elderly, ailing and world-weary, limping on her terrace in the gathering dusk. She attempts to outline material for her memoirs to her bumbling, distracted old servant and secretary, Pitou. He listens and interrupts as she with infinite regret recalls scenes from her tumultuous past. In a second interlude the two converse for a midnight session of recollections in her boudoir.

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This wistful, respectful tribute to the divine Sarah, diverting and occasionally poignant, is sanguine in its tact. To call on any actress to illustrate Bernhardt performing Racine, or even Sardou's gory melodramas, would be to court calamity as all who have witnessed such dreary exercises are aware. Here the accent is not on the famed actress's extraordinary art, but on the wonderful woman who was the actress. It is the wonder of that woman that has made her immortal.

idyllic nature of his world. Farm-y place and people can easily appear exquisite and fortunate because distance somehow blurs and tones down all that is bitter and sorrowful in their lives, and leaves what appears graceful and serene. The distance in Lorrain's painting is not great — just sufficient to allow us to see the expression of vitality in the attitudes and movements of the body, without precluding the inner life and emotions reflected in the faces. Ariadne, Psyche or Eumeus may be weeping, but their tears are a meaningful emotion that transforms the landscape, while the great, glowing breadth of nature surrounds them like a melancholy consolation.

Cremonini composes his scenes with a brilliant sense of layout. Verticals, horizontals and diagonals are just that, but with fantastic acuteness, as if they were dream figures trying to draw attention to the essential verticality or horizontality.

What makes all this modern? The heightened immediacy of a momentary absence of meaning in the scenes depicted. The presence of children in his compositions is not fortuitous. Children can occasionally have that feeling of the irrelevance of great crowds, cold buildings and the maddening clutter of things: deck chairs, clothes, toys, trunks, suntan oil in its world where nothing ever seems to happen.

The work has the modernity of a certain Italian cinema, too — that of an Antonioni, which today has become something classic. But so has Cremonini.

Lorenzo Cremonini, *Galerie Claude Bernard, 9 Rue des Beaux-Arts, Paris 6, to April 2.*

Prices Decline in Several Fields at Drouot Sales in Paris

By Souren Melikian

International Herald Tribune

PARIS — Prices are beginning to drop in several fields. The fact that the supply of works of art is dwindling has failed to stem the downward trend. The sales at Drouot this week have provided some striking illustrations of this relatively new situation.

On Tuesday, Pierre Cornette de Saint-Cyr was conducting an auction

that focused on academic painting of the later 19th century and included specimens of the Orientalist school and the Symbolist movement. Few could be considered to be of any consequence, with one obvious exception, a portrait done in 1887 by Alfred Stevens (1827-1906), of a young woman standing in a wooded landscape. This anticipates the Symbolist movement of the 1890s, with its love for weird and exotic details understood as symbols — there is a touch of the off-the-walls about the young woman in white muslin with a garland of blossoms in her blonde hair. If such a painting had been offered at Sotheby's or Christie's last year, an estimate of at least £10,000 (about \$15,400) would have been put on the picture. This week, however, it remained unsold as the hammer went down at only 60,000 francs (about \$8,860).

This failure was only partly made up for by the fact that the portrait of an "Oriental Woman with a Bowl of Roses" by Jean Portaels sold for same amount. It has

an easy appeal and its Middle Eastern subject still makes it a winner on the market, or so the average dealer thinks.

After the paintings came a substantial group of glass vases from the workshops of Daum and Gallé at Nancy, illustrating the so-called industrial production of the two firms. Such pieces were produced in small numbers, and because the acid-etching technique was used for the low-relief patterns, no two are alike. They should therefore not be dismissed out of hand. They were very popular until two years ago, when interest began to wane slightly; this year the Japanese no longer seem willing to buy the large quantities that they were buying as late as 1981.

The more modest pieces were still fetching decent prices on Thursday. An elegantly shaped flask with circular body and tall tubular neck, for example, went for 2,000 francs, which is fair enough. But a mushroom lamp, one of the rarer Daum models of which the expert Jean-Pierre Camard only remembered seeing two other speci-

mens, was knocked down at 8,700 francs. Bernie Danenberg, the Paris-based U.S. dealer who bought it, said that two years ago he would have had to pay at least 14,000 francs for it.

Most exquisite of all was a small vase signed D'Argy, with mauve sprays on a faintly golden translucent ground, which made a mere 1,500 francs. That is not surprising. Currently accepted wisdom is that D'Argy, whose design was as elegant as it is subdued and whose color scheme was subtle, is nobody. As dealers determine the price pattern in this field and private buyers mostly go after what is considered fashionable, D'Argy's pieces never fetch a great deal.

But the most blatantly underpriced piece was a gaming table by the Art Deco designer and cabinet-maker Clément Rousseau. This typical product of the late 1920s did not meet with the approval of professionals, who declared that it lacked quality. This is debatable. Similar weaknesses affected some of the 17th- and 18th-century decorative works of art and furniture sold on the following day by Paul Renaud. The auction was all the more interesting in that many of the items came from estates and were sold without any reserve price.

The most stunning case of underpricing affected a fine bracket clock of the Louis XVI period. The signature of Balthazar could be read on the dial. The beautifully chiseled ormolu foliage and formal patterns would certainly have justified a higher price than the 6,800 francs at which it was knocked down.

Even furniture occasionally affected by running into difficulties. While ramshackle bookcases of the late 19th century, vaguely neoclassical in style, went through the roof despite their condition, an elegant pair of Directoire period fauteuils — armchairs — was knocked down under 6,000 francs. At five times that figure, the price could still be considered conservative.

Another case of underpricing, although much less spectacular, affected a fine bracket clock of the Louis XV period. The signature of Georges Seurat; "The Port of Sète" (1892) by Seurat's disciple, the Belgian painter Theo van Rysselberghe; "Les Brodeuses" (1895-96) by Édouard Vuillard; "La Rue des Abesses" (1910) by Maurice Utrillo; "Woman" (1938) by Ruiio Tamayo and Balthus "The Living Room" (1942).

Comparable gifts from the Whitney estate were given to the Yale Art Gallery in New Haven, Connecticut, and the National Gallery of Art in Washington last December. The eight paintings have been chosen with particular regard to the existing collections of the museum.

This is not to say that prices as a whole went downwards — they often varied erratically. There were

peaks, such as the 43,000 francs paid for a poorly painted and hacked landscape done in 1875 by an obscure pupil of Corot, Alexandre Defaux. In contrast, an interesting still life by Antoine-Ferdinand Attieu of about the same period sold for 11,500 francs. The combination of 17th-century Dutch influence and a purely 19th-century feel for light made it an excellent buy at that price.

The uncertainty that such contrasts reflect and the gloomy atmosphere in the room had more than a suggestion of a crisis.

Nobel Medal Auctioned

A Nobel peace medal awarded to a British pacifist author and

INTERNATIONAL BUSINESS/FINANCE

SATURDAY-SUNDAY FEBRUARY 19-20, 1983

ECONOMIC SCENE

By LEONARD SIEK

Reagan Keeps Up the Suspense About Volcker's Future at Fed

NEW YORK — President Ronald Reagan, in his news conference this week, expressed his confidence in Anne M. Gorsuch's management of the Enforcement and Protection Agency, which he said had completed a special review that had been overlooked amid a "fury of accusations." And he defended his nomination of Kenneth Adelman as head of the Arms Control and Disarmament Agency, saying that "the young man was well-educated, very intelligent and had 'experience with Jeanne Kirkpatrick' in the United Nations and elsewhere."

But Mr. Reagan had nothing at all to say about Paul A. Volcker, the chairman of the Federal Reserve Board. When asked what qualifications he would be looking for in a new Fed chairman and whether he would consider reappointing Mr. Volcker to that job, the president simply answered that he did not believe in talking about possible appointments in advance. "I'll just have to wait until the time comes," he said.

Mr. Volcker's appointment as chairman expires Aug. 6. His appointment as a member of the Federal Reserve Board actually runs until Jan. 31, 1982, but he would certainly not stay beyond next August if Mr. Reagan did not reappoint him.

The expectation has been growing in political and financial circles that the president will not reappoint Mr. Volcker, and Mr. Reagan's cool remark at his news conference this week appeared to strengthen that belief. As one leading financial authority, who requested anonymity, put it: "The administration keeps talking about team players, and Mr. Volcker is his own man. And the administration has come to appreciate the powerful potential of the Fed's monetary policy, economically and politically. It counts lots of pounds in the election. With the election just 15 months from next August, the president wouldn't want to hand the reins on money to somebody he could not count on as a team player."

High Prestige

Nevertheless, Mr. Volcker has high prestige in financial circles in the United States and abroad, and it will be difficult for the president to find a replacement for him who will give administration monetary policy as much credibility.

While speculation over his tenure as Fed chairman was growing, Mr. Volcker was telling the Senate Banking Committee how he meant to go on promoting economic recovery while holding inflation down. He marked an important change in stating that, although the Fed would continue to set and watch various targets for the growth of the money supply, it would also monitor a new guideline — the growth of total domestic non-financial debt, which includes all borrowing by private non-financial businesses, households and federal, state and local governments, whether in the United States or abroad.

For the first time, Mr. Volcker said, the Federal Open Market Committee has announced its expectations of the growth of total domestic debt for the year ahead. The committee, he said, felt that a range of 8.5 percent to 11.5 percent in the coming year "would be appropriate."

Those growth ranges for credit in 1983 now take their place beside new target ranges for the monetary aggregates: 4 percent to 8 percent for M-1, 7 percent to 10 percent for M-2 and 6.5 percent to 9.5 percent for M-3. (Among these gauges of the money supply, M-1 consists of currency, demand deposits, travelers' checks and other checking deposits; M-2, a broader definition, also includes money market mutual fund balances, Eurodollars, savings accounts and small time deposits; M-3 is broader still, adding large time deposits, institutionally held money market balances and other assets.)

A Second Target

Thus, the Fed has moved to accept the operating change originally proposed by Professor Benjamin Friedman of Harvard. That the central bank adopt a two-target framework for monetary policy, focusing on both the money supply and the quantity of credit outstanding. In effect, Benjamin Friedman has updated Milton Friedman.

A deviation of either money or credit growth from its respective target range, under the new procedure, would be a signal warning the Fed to reassess the ease or tightness of monetary policy. Credit and money sometimes move in the same direction, but sometimes they take divergent paths. A fall in credit, even with the money aggregates rising, might signal an economic decline and the need for an easier monetary policy.

In accepting the two-target approach, Mr. Volcker has given himself more room to steer monetary policy judgmentally, in response to economic pressures, rather than mechanically, in strict accordance with money-supply targets. He is already taking the money targets less seriously. As he said in his congressional testimony this week: "It neither bewail nor applaud the circumstances that have put a greater premium on judgment and less automaticity in our operations. It is simply a fact of life."

The Reagan administration, whose thinking about Fed policy was once dominated by strict monetarists, is no longer objecting to a monetary policy based more on "judgment" than on money-supply targeting. But the question now is whose judgment the president wants to prevail at the Fed — Mr. Volcker's or somebody else's.

The New York Times

CURRENCY RATES

| Interbank exchange rates for Feb. 18, excluding bank service charges. | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|---------|---------|--------|
| | S | E | D.M. | F.F. | G.F. | G.M. | S.F. | S.P. | D.M. |
| Amsterdam | 2.6985 | 4.1000 | 116.51 | 35.22 | — | 5.697 | 1.1250 | 1.1250 | 2.55 |
| Brussels (e) | 47.25 | 72.15 | 197.07 | 4.902 | 8.125 | 17.933 | — | 22.125 | 5.55 |
| Frankfurt | 2.296 | 3.771 | 103.25 | 3.225 | 5.045 | 10.744 | 1.1250 | 1.1250 | 2.55 |
| London (B) | 1.2905 | 2.0400 | 72.15 | 2.738 | 4.125 | 8.125 | 1.1250 | 1.1250 | 2.55 |
| London (S) | 1.2905 | 2.0400 | 72.15 | 2.738 | 4.125 | 8.125 | 1.1250 | 1.1250 | 2.55 |
| New York | — | 1.545 | 4.0771 | 4.125 | 4.072 | 4.0725 | 4.0725 | 4.0725 | 4.0725 |
| Paris | 6.878 | 10.532 | 263.85 | — | 4.916 | 12.557 | 14.2005 | 14.2005 | 34.25 |
| Zurich | 1.991 | 2.6865 | 83.07 | 29.35 | 3.144 | 75.15 | 4.2105 | 4.2105 | 2.55 |
| Tokyo | 0.5221 | 0.6164 | 2.993 | 4.6713 | 1.5220 | 3.5287 | 45.304 | 1.5220 | 2.55 |
| U.S.D. | 0.8044 | 0.8999 | 2.9201 | 4.6781 | 1.5281 | 3.5291 | 51.2659 | 2.9201 | 2.55 |

(a) Commercial franc (b) Amounts needed to buy one pound (£) (c) Units of 100 (d) Units of 1,000

INTEREST RATES

| Eurocurrency Deposits | | | | | | | | | |
|-----------------------|-------|--------|---------|--------|------|------|-------|------|------|
| | Swiss | French | British | German | ECU | SDR | Pound | U.S. | Yen |
| Dealers | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
| Commercial | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
| Corporate | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
| Dealers | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
| Commercial | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
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| Commercial | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |
| Corporate | 5.8% | 5.7% | 5.5% | 5.4% | 5.3% | 5.2% | 5.1% | 5.0% | 4.9% |

Key Money Rates

| United States | Class | Prev. | British | Class | Prev. |
|------------------------|-------|-------|----------------------|-------|-------|
| Discount Rate | 5.8% | 5.7% | Bank Rate | 11 | 11 |
| Federal Funds | 5.8% | 5.7% | Call Money | 11 | 11 |
| Prime Lending Rate | 11.5% | 11.5% | Overnight Repurchase | 10.5% | 10.5% |
| Commercial Paper | 11.5% | 11.5% | 3-month Interbank | 10.5% | 10.5% |
| Borrower Rate | 11.5% | 11.5% | 6-month Interbank | 10.5% | 10.5% |
| 3-month Treasury Bills | 7.50 | 7.50 | 1-year Interbank | 10.5% | 10.5% |
| 2-month Treasury Bills | 7.25 | 7.25 | 3-month Interbank | 10.5% | 10.5% |
| CDs | 7.25 | 7.25 | 6-month Interbank | 10.5% | 10.5% |
| Corporate Bonds | 8 | 8.07 | 1-year Interbank | 10.5% | 10.5% |
| West Germany | | | | | |
| Libor Rate | 6 | 6 | | | |
| Overnight Rate | 5.5% | 5.5% | | | |
| 3-month Interbank | 5.5% | 5.5% | | | |
| 5-month Interbank | 5.6% | 5.6% | | | |
| 7-month Interbank | 5.8% | 5.8% | | | |
| 1-year Interbank | 5.8% | 5.8% | | | |
| 2-year Interbank | 6.2% | 6.2% | | | |
| 3-year Interbank | 6.4% | 6.4% | | | |
| 4-year Interbank | 6.6% | 6.6% | | | |
| 5-year Interbank | 6.8% | 6.8% | | | |
| 6-year Interbank | 7.0% | 7.0% | | | |
| 7-year Interbank | 7.2% | 7.2% | | | |
| 8-year Interbank | 7.4% | 7.4% | | | |
| 9-year Interbank | 7.6% | 7.6% | | | |
| 10-year Interbank | 7.8% | 7.8% | | | |

GOLD PRICES

| | A.M. | P.M. | C.Y. |
|-----------|---------|---------|---------|
| Hong Kong | \$10.25 | \$10.20 | \$10.25 |
| London | \$10.25 | \$10.20 | \$10.25 |
| Paris | \$10.25 | \$10.20 | \$10.25 |
| Tokyo | \$10.25 | \$10.20 | \$10.25 |
| New York | \$10.25 | \$10.20 | \$10.25 |

Sources: Commerzbank, Bank of Tokyo, London, Paris, and Luxembourg; London and London and New York; Hong Kong and Zurich; New York Money & Finance, U.S. dollar per ounce.

U.S. Handles New Accounts With Ease

By James L. Rowe Jr.

Washington Post Service

WASHINGTON — In 1974, following the sharp increase in oil prices, the world held its breath while wondering whether the international financial system could handle the transfer of about \$60 billion from oil-consuming to oil-producing nations.

During the last two months, nearly four times that amount has shifted within the U.S. economy with hardly a ripple, as investors rushed to transfer funds to the new money-market deposit accounts at banks and savings and loan associations.

The transfer of funds to money-market accounts is far less complex and risky than the recycling of oil revenue in 1974, but the comparison between the two is not too far-fetched and helps to underscore the flexibility of the nation's financial system.

Almost overnight, the new accounts have attracted as much money as the money-market mutual funds did in five years. Between Dec. 14 — when banks and savings and loan associations first could offer the new accounts — and Feb. 2 a total of \$232 billion was put into them, according to the Federal Reserve Board. Another \$17 billion was deposited in the related Super Now accounts.

"And we thought the money-market fund industry grew rapidly," said Joyce Headley, senior vice president of New York's Manufacturers Hanover, who heads that bank's efforts to corral the new accounts.

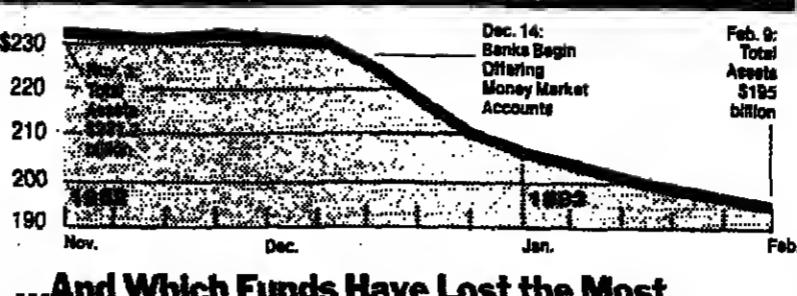
Investors have withdrawn billions from the money-market funds, although it is hard to pinpoint how much of that went to the new bank accounts. Investors also cashed in stocks, bonds, Treasury bills and other investments to put in the bank accounts.

The Investment Company Institute said Thursday that assets of 300 money-market mutual funds fell \$2.6 billion in the week ended Feb. 16, the 11th consecutive weekly decline. The Associated Press reported.

Bankers and regulators agree that the bulk

The Decline in Money Funds' Assets...

Weekly assets of all money market funds, in billions of dollars



Dow Jones Averages

| 30 Ind | Open | High | Low | Close | Chg. |
|---------|---------|---------|---------|---------|-------|
| 1085.27 | 1099.99 | 1079.82 | 1071.57 | 1079.82 | +1.57 |
| 131.11 | 132.00 | 129.85 | 128.50 | 129.85 | +1.05 |
| 65.55 | 68.13 | 63.97 | 62.81 | 63.97 | +1.16 |

Standard & Poors Index

| Commer. | High | Low | Close | Chg. |
|---------|--------|--------|--------|-------|
| 125.28 | 125.28 | 124.00 | 123.50 | +1.00 |
| 61.44 | 60.59 | 61.10 | 60.63 | -0.03 |
| 125.21 | 125.29 | 123.20 | 122.30 | +1.10 |
| 23.85 | 23.85 | 23.66 | 23.66 | -0.00 |

Odd-Lot Trading in N.Y.

| Buy | Sales | Short |
|---------|---------|-------|
| 192,171 | 360,529 | 1,575 |
| 202,171 | 415,972 | 1,575 |
| 147,141 | 243,454 | 1,446 |
| 144,222 | 434,356 | 1,211 |

Included in the sales figure.

Market Summary, Feb. 18

Market Diaries

NYSE Stock Index

| NYSE | AMEX | High | Low | Close | Chg. |
|--------|--------|--------|--------|--------|-------|
| 384.08 | 382.12 | 383.99 | 381.45 | 382.12 | +1.45 |
| 1,008 | 1,007 | 1,007 | 1,006 | 1,007 | +0.00 |
| 1,008 | 1,007 | 1,007 | 1,006 | 1,007 | +0.00 |
| 1,008 | 1,007 | 1,007 | 1,006 | 1,007 | +0.00 |

Dow Jones Bond Averages

| Volume | Sales | Short |
|--------|-------|-------|
| 39,74 | 85,95 | 8,44 |
| 39,74 | 85,95 | 8,44 |
| 39,74 | 85,95 | 8,44 |
| 39,74 | 85,95 | 8,44 |
| 39,74 | 85,95 | 8,44 |

NYSE Index

Composite

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 70.31 | 70.25 | 70.15 | +0.05 |
| 70.31 | 70.25 | 70.15 | +0.05 |
| 70.31 | 70.25 | 70.15 | +0.05 |
| 70.31 | 70.25 | 70.15 | +0.05 |

Transportation

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 79.95 | 79.85 | +0.05 |
| 80.05 | 79.95 | 79.85 | +0.05 |
| 80.05 | 79.95 | 79.85 | +0.05 |
| 80.05 | 79.95 | 79.85 | +0.05 |

Finance

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

Utilities

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

Trans.

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

Total

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

Interests

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

New Issues

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

New Issues

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |

New Issues

| High | Low | Close | Chg. |
|-------|-------|-------|-------|
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.05 | 80.05 | +0.05 |
| 80.05 | 80.0 | | |

BUSINESS BRIEFS

GE Plans a 2-for-1 Stock Split, Will Consider Dividend Increase

NEW YORK (Reuters) — General Electric said Friday that its board voted to recommend a two-for-one stock split for shareholder approval at the April 27 annual meeting.

General Electric said that if the split is approved, the board also planned at a May meeting to consider increasing the quarterly dividend by 95 cents a share from 85 cents on a pro-rata basis.

The company advised that it declared a regular quarterly dividend of 85 cents a share payable April 25 to shareholders of record March 8.

Coffee May Be Added to Market

LONDON (AP) — The executive board of the International Coffee Organization is to meet Monday to decide on allowing more coffee to be put on the market, the organization said Friday.

The board determined last fall that when the average 15-day price reached \$1.25 a pound, the board should authorize the release of an additional 500,000 bags of coffee.

The organization's average composite 15-day average was \$1.2470 a pound Thursday. A bag holds 122.2 pounds (56 kilograms).

FBI to Investigate Failed Bank

KNOXVILLE, Tennessee (UPI) — The Federal Bureau of Investigation will investigate whether United American Bank had committed any crimes by lending bank directors and their relatives \$54.8 million in 1982, the Federal Deposit Insurance Corp. said Friday.

Alan Whitney, an FBI spokesman, said that the FBI would join the investigation "because of the size and complexity" of the failed bank, which Monday became the fourth-largest bank to fail in U.S. history.

William Isaac, FDIC chairman, said the bank's total losses were \$160 million, including \$142 million in delinquent loans. He said the FDIC would have to absorb \$90 million of that amount and First Tennessee National Corp., Memphis, Tennessee, which bought the insolvent bank, would absorb the rest.

Delta Air to Restructure Fares

ATLANTA (UPI) — Delta Air Lines announced Friday a streamlining of its fare structure, replacing thousands of individual fares with nine basic fare types. Ticket prices will not be reduced, Delta officials said.

The changes, which will take effect March 1, will eliminate 25,000 fares in 2,700 markets, the company said. The total number of Delta's fares will be reduced 60 percent.

The new fares include several first-class and coach fares, super-saver fares, simple-saver fares, a "Visit USA" fare for foreign tourists and military fare, officials said.

U.S. Won't Block Engine Venture

WASHINGTON (UPI) — The U.S. Justice Department said Friday that it does not intend to challenge a proposed venture between Brigg & Stratton and Lombardini of Italy to make small diesel engines in the United States.

Briggs & Stratton and Lombardini currently manufacture small diesel engines in Europe.

The two companies had asked the department whether it believed that the proposed venture might violate antitrust laws.

Company Notes

J.P. Morgan has filed a registration statement for a proposed offering of 2,500,000 shares of adjustable-rate cumulative preferred stock, Series A, with a stated value of \$100 a share.

Schering-Plough said it will build the world's first commercial interferon manufacturing plant in Shannon, Ireland, starting next month.

REFCO, a Chicago brokerage firm, and its chairman agreed to \$525,000 in fines, relating to a complaint accusing the firm of violating federal regulations on commodity speculation.

Asia Bank Says China Seeks Membership

The Associated Press
MANILA — China has asked to join the Asian Development Bank but wants Taiwan to be removed from the 44-nation institution, Masao Fujioka, the bank's president, said Friday. Taiwan helped to organize the bank in 1966.

"Recently, China contacted us to say that they want to be a member, and the bank is now exploring the matter," Mr. Fujioka said at a news conference.

Many of the bank's member countries, including Japan and the United States, support China's membership, Mr. Fujioka said. But he declined to speculate if that also meant that they favored removing Taiwan.

Although noting that China is eligible for membership under the bank's charter, Mr. Fujioka said that "I want to state that Taiwan is a founding member and has been a good member as of today."

Mr. Fujioka also announced Friday that the bank has agreed on a general capital increase of 105 percent in the authorized capital of \$7.9 billion, effective in April. No changes will be made in existing shares, he said.

France Sees Deficit Narrowing in 1983

PARIS — An expansion of French exports should limit France's 1983 trade deficit to 60 billion French francs (about \$8.8 billion) over 93.3 billion in 1982, Trade Minister Michel Jobert said Friday.

The deficit is expected to narrow from 65 billion in 1982.

Selected Over-the-Counter

Britain Sets Cut in Oil Prices

(Continued from Page 1)

bly hoped to avoid setting off a price war.

Not all of Britain's customers were satisfied, however. Industry sources said, and some traders believed, that Gulf Oil Corp. was seeking a bigger cut. Gulf officials were not available for comment.

At a major British oil company, an executive said that the proposal could change if market forces warrant. He said oil buyers and suppliers have two weeks to respond, but that BNOC expects to have their reactions by the middle of next week.

Under British policy, BNOC's prices are supposed to reflect market value. One indication of that is the spot, or noncontract, market, where prices for North Sea crude have been fluctuating around \$29 for the past three weeks. Those prices, however, are probably artificially low, analysts say, because traders have bid prices down to hedge themselves against the risks of a price plunge.

On Friday, spot market traders reported little activity. They said the market was waiting for OPEC's reaction.

Britain's oil output of about 2.4 million makes it the fifth-largest producer in the world, and Norway's daily production totals 550,000 to 600,000 barrels. World output is currently estimated at 45 million barrels a day.

Although OPEC accounts for only a little more than a third of that, the cartel could regain control of the market by limiting production, especially if the world economy recovers strongly, and oil demand grows. OPEC has that opportunity, analysts say, because Western oil inventories have dwindled and producers outside OPEC lack the capacity to raise their output significantly.

The risk is that OPEC has never been good at agreeing on anything beyond a floor for prices. The next week or so will thoroughly test OPEC's ability to compromise.

"There's got to be some kind of volume agreement," a U.S. oilman said. Otherwise, he said, "it's hard to see the bottom" for prices.

The "pound," which has taken a severe beating recently on the expectation of a fall-in oil prices, rose slightly after the British announcement. Dealers said that a cut of \$3.50 a barrel had been expected.

The bank's board of governors must decide on Taiwan's continued role in the bank by a two-thirds vote, representing not less than three-fourths of the members' voting power. Votes are allocated in proportion to countries' contributions to the bank's capital.

Mr. Fujioka declined to say if the China question would be taken up at the bank's annual board meeting in Manila in May but said he already has referred the matter to the bank's board.

Although noting that China is eligible for membership under the bank's charter, Mr. Fujioka said that "I want to state that Taiwan is a founding member and has been a good member as of today."

Mr. Fujioka also announced Friday that the bank has agreed on a general capital increase of 105 percent in the authorized capital of \$7.9 billion, effective in April. No changes will be made in existing shares, he said.

Floating Rate Notes

Lloyds Bank Profit Down 18%

Compiled by Our Staff From Dispatches

LONDON — Lloyds Bank reported Friday that its pre-tax profit in 1982 fell 18 percent, mostly because of increased provision for bad and questionable loans for an 18-percent decline in pre-tax profit in 1982.

The bank said that earnings dropped to £315.9 million in 1982 from £38.6 million the previous year, as the charge for bad and doubtful debt provisions rose to £218.9 million from £28.7 million.

"As expected," said the bank's chairman, Sir Jeremy Morse, "there is a big increase in provisions for bad and doubtful debts both at home and abroad, reflecting the troubled state of the world economy. But our balance sheet remains strong, trading results before provisions have continued to improve and the cover enables us to increase the annual dividend by 15 percent."

The bank said that virtually every nation felt the effects of the recession and that provisions were spread across its business in different parts of the world, affecting both commercial and sovereign risks.

Lloyds said its British business continued to grow and that its 1982 base lending rate averaged 11.9 percent, down from 13.2 percent in 1981. Loan growth was particularly strong, but dependence on interest bearing deposits increased and margins narrowed.

It said non-interest bearing current accounts showed only a modest rise.

Lloyds said its international operations saw a £23.7 million swing from surplus into deficit because of the translation of foreign currency holding capital into sterling.

The operating profit for 1982 for Lloyds Bank and domestic subsidiaries was £210.3 million, down from £221 million in 1981. Lloyds & Scottish £7.3 million versus £14.4 million, and Lloyds Bank International £95.5 million, down sharply from £138.7 million.

Feldstein Hopeful About Rate Drop

The Associated Press

WASHINGTON — Interest rates for such long-term consumer loans as home mortgages should start dropping in six to nine months if the economic recovery now beginning does not start a new wave of inflation, President Ronald Reagan's chief economist said Friday.

On the surface, it appears that basic figure — called M-2 — has grown about 30 percent in the past few weeks, which is about three times what the Fed is aiming for and a sharp enough jump to make some analysts wary of a new round of inflation.

But "the combination could make for a substantial decrease in long-term rates" later this year, he told the Senate Banking Committee.

Mr. Feldstein gave no estimates of how far he expected interest rates to decline at the consumer level. But Samuel Pierce, the housing and urban development secretary, had said earlier that he could envision mortgages dipping to the 9-to-10 percent range.

Meanwhile, banks and savings and loan associations prepared themselves well for the onslaught of the new bank accounts that had been costing those financial institutions 5 percent, then "lent" it back to the banks at higher rates (often 15 percent or more) by purchasing bank certificates of deposit.

The money funds prepared themselves well for the onslaught of the new bank accounts, said William Sullivan, vice president and chief money-market analyst for the Bank of New York. They met most of the withdrawal demands from the proceeds of the securities that mature each day.

But the domestic financial system wasn't even tested by the huge funds transfer, according to banking experts.

The money-market funds themselves were most at risk, and they had no difficulty adjusting to the situation. The new deposit accounts, which have no interest ceiling, were designed to enable financial institutions to compete directly with the funds, which for years had offered smaller savers the only opportunity to get high interest rates.

The money funds pooled the funds of thousands of investors and bought high-yielding, short-term securities such as the \$1 million certificates of deposit sold by commercial banks and commercial paper by companies.

As interest rates skyrocketed in the late 1970s and early 1980s, money-market funds became a major force in the nation's financial system. Their assets grew to more than \$200 billion, much of it money that had been in commercial banks and savings and loan associations.

Having deposited back in the banking system is good for banks and the economy, he said. But many banks will have problems using the new funds efficiently, because loan demand is still weak.

Giant banks like Citicorp can easily use the new funds to replace outstanding CDs. But smaller banks with deposit bases consisting primarily of consumer accounts have fewer uses for the new money.

Mr. Feldstein acknowledged that it would take a couple of months before the Fed gets a better sense of the money supply — let alone controlling it.

The Fed's ability to monitor money has been hurt by banking deregulation that took effect in mid-December. This deregulation allows banks, credit unions and savings and loan associations to offer money-market accounts and the so-called Super-NOW accounts.

The result has been a tremendous burst of inflation.

| Gold Options (prices in \$/oz.) | | | |
|---------------------------------|-------------|-------------|----------|
| Price | May | Aug. | Feb long |
| \$10 | 31.95-31.75 | 31.00-30.00 | 30.00 |
| \$20 | 27.00-27.25 | 26.00-25.00 | 25.00 |
| \$30 | 19.00-21.00 | 19.00-18.00 | 18.00 |
| \$40 | 14.00-16.00 | 14.00-13.00 | 13.00 |
| \$50 | 10.50-12.50 | 10.00-9.00 | 9.00 |

Valeurs White Weld S.A.
1, Quai du Mont-Blanc
1211 Geneva 1, Switzerland
Tel. 310251 - Telex 28305

Gold 30/20/19/14/10/6

U.S. Handles New Accounts Easily

(Continued from Page 7)

of the funds in the new bank accounts came from within the banks and savings and loan associations themselves: Depositors diverted dollars into the new money-market deposit accounts from passbook and checking accounts. All Savers certificates and maturing \$10,000 minimum, six-month certificates of deposit.

According to the Federal Reserve, the amount of bank certificates of deposit outstanding declined \$30.4 billion between Dec. 14 and Jan. 26.

But the domestic financial system wasn't even tested by the huge funds transfer, according to banking experts.

The money-market funds themselves were most at risk, and they had no difficulty adjusting to the situation. The new deposit accounts, which have no interest ceiling, were designed to enable financial institutions to compete directly with the funds, which for years had offered smaller savers the only opportunity to get high interest rates.

The money funds pooled the funds of thousands of investors and bought high-yielding, short-term securities such as the \$1 million certificates of deposit sold by commercial banks and commercial paper by companies.

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The Fed's ability to monitor money has been hurt by banking deregulation that took effect in mid-December. This deregulation allows banks, credit unions and savings and loan associations to offer money-market accounts and the so-called Super-NOW accounts.

The result has been a tremendous burst of inflation.

Had interest rates been rising after the new accounts were introduced, the value of securities held by money funds might have been declining, which would have increased the possibility of losses by the funds.

Meanwhile, banks and savings and loan associations prepared themselves well for the onslaught of the new bank accounts that had been costing those financial institutions 5 percent, then "lent" it back to the banks at higher rates (often 15 percent or more) by purchasing bank certificates of deposit.

The money funds prepared themselves well for the onslaught of the new bank accounts, said William Sullivan, vice president and chief money-market analyst for the Bank of New York. They met most of the withdrawal demands from the proceeds of the securities that mature each day.

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Friday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street

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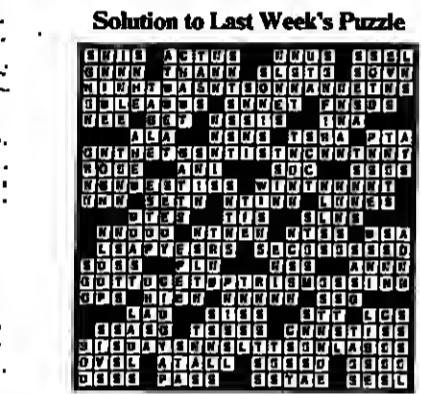
ACROSS

- 1 He wrote "The Chocolate Soldier"
- 2 Kind of whale
- 3 Lindsay's partner
- 4 Cutting tool
- 5 Part of Pliny's wardrobe
- 6 Drought victim
- 7 German store employee?
- 8 Rock support
- 9 City east of Calico Bay
- 10 Lhasa — Tibetan dog
- 11 The "Splendid Splinter"
- 12 Libyan law enforcers?
- 13 Drupe
- 14 Trip
- 15 — de plume
- 16 Former Hyde Park residence
- 17 Liech. neighbor
- 18 Feet: Pr.
- 19 Part of NATO
- 20 Dustin Hoffman role
- 21 New Jersey money changers?
- 22 Assigns
- 23 American Beauty
- 24 Sydney Pollack film:
- 25 Ryson, e.g.

DOWN

- 1 Row of figures
- 2 Figure of speech
- 3 A Cross, in Italy
- 4 Parade of a sort
- 5 P.M.'s home away from home
- 6 Amish, e.g.
- 7 Start of a kindergarten year
- 8 Kite currency
- 9 Most comely
- 10 N.Y. line
- 11 Light
- 12 — Thurmond of S.C.
- 13 Snooker, e.g. "The" —
- 14 Scarfouch
- 15 Verse form
- 16 Game having chukkers
- 17 Aryan people of Caucasus
- 18 Tamiflo
- 19 Vitamin C source
- 20 Picayunish
- 21 Author Kesey
- 22 Stance
- 23 Aggressive tyrant
- 24 Center of interest
- 25 Prono
- 26 Glossy fabric
- 27 Samuel's teacher
- 28 — 7
- 29 — 2
- 30 — 2
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- 69 — 2
- 70 — 2
- 71 — 2
- 72 Bell-ringer, at times
- 73 Entrapreure
- 74 Vaudeville family
- 75 W. Hemisphere group
- 76 German U.N. employee?
- 77 Luckman of football fame
- 78 E. Indian
- 79 French explorer
- 80 Cry heard at St. Andrews' always
- 81 Poole Vecchio
- 82 Feather grass
- 83 Entertain sumptuously
- 84 Bombs
- 85 Tec, at times
- 86 Weasels or strivies
- 87 Russian ranch hands?
- 88 Procedures before a deal
- 89 Farm adjunct
- 90 Basis of std. time
- 91 Bell-ringer, at times
- 92 Expressions of surprise
- 93 Nice friend
- 94 Reduce a fever
- 95 New feature
- 96 Ohio coachman?
- 97 Requisite for a good R.N.
- 98 Dippy or dotty
- 99 Hot spot
- 100 C'est — (that is to say)
- 101 Hotel V.I.P. 2
- 102 An element
- 103 Pitch
- 104 Theologian's principle
- 105 Strong
- 106 Sight from the Poole Vecchio
- 107 Feather grass
- 108 M.I.T. grads
- 109 Feathers
- 110 111 112 113
- 112 113 114
- 115 116 117
- 118 119 120
- 119 121 122 123 124
- 120 121 122 123 124
- 125 126 127 128
- 126 127 128
- 129 130 131 132 133
- 134 135 136
- 136 137 138
- 138 139 140 141 142
- 139 140 141 142 143
- 143 144 145 146 147

Solution to Last Week's Puzzle



WEATHER

| | HIGH | LOW | HIGH | LOW |
|----------------|------|-----|------|-----|
| ALGARVE | 14 | 61 | 72 | 54 |
| ALGHERS | 12 | 56 | 6 | 23 |
| AMSTERDAM | 12 | 56 | 6 | 23 |
| ATHENS | 24 | 57 | 29 | 19 |
| AUCKLAND | 34 | 27 | 15 | 59 |
| BANGKOK | 34 | 28 | 28 | 82 |
| BEIJING | 12 | 54 | 9 | 43 |
| BERLIN | 12 | 54 | 9 | 43 |
| BELGRADE | 12 | 54 | 9 | 43 |
| BERLIN | 12 | 54 | 9 | 43 |
| BOSTON | 1 | 37 | 0 | 22 |
| BRUSSELS | 2 | 34 | 0 | 22 |
| BUCHAREST | 1 | 34 | 7 | 17 |
| BUDAPEST | 2 | 34 | 2 | 21 |
| BUENO'S AIRES | 22 | 11 | 22 | 52 |
| CAIRO | 27 | 14 | 41 | 49 |
| CAPE TOWN | 27 | 14 | 41 | 49 |
| CASABLANCA | 3 | 37 | 0 | 39 |
| COPENHAGEN | 19 | 59 | 11 | 58 |
| COSTA DEL SOL | 19 | 59 | 11 | 58 |
| DAMASCUS | 8 | 46 | 5 | 41 |
| DUBLIN | 6 | 43 | 0 | 32 |
| EDINBURGH | 4 | 39 | 2 | 24 |
| FRANKFURT | 3 | 37 | 0 | 22 |
| GENEVA | 2 | 37 | 0 | 22 |
| HARARE | 2 | 26 | 0 | 23 |
| HELSINKI | 3 | 37 | 0 | 22 |
| HONG KONG | 19 | 64 | 14 | 22 |
| HOUSTON | 1 | 34 | 3 | 27 |
| ISTANBUL | 1 | 34 | 3 | 27 |
| JERUSALEM | 10 | 58 | 4 | 39 |
| LAS PALMAS | 26 | 14 | 51 | 57 |
| LIMA | 29 | 84 | 24 | 75 |
| LISBON | 10 | 58 | 4 | 35 |
| LYON | 10 | 58 | 4 | 35 |
| MOSCOW | 10 | 58 | 4 | 35 |
| NICOSIA | 10 | 58 | 4 | 35 |
| NEW YORK | 5 | 41 | 0 | 30 |
| OSLO | 4 | 37 | 0 | 34 |
| PARIS | 4 | 37 | 0 | 34 |
| PHNOM PENH | 1 | 34 | 0 | 21 |
| REYKJAVIK | 1 | 34 | 0 | 21 |
| RIO DE JANEIRO | 22 | 11 | 24 | 52 |
| ROME | 10 | 58 | 1 | 36 |
| SAO PAULO | 33 | 21 | 0 | 25 |
| SEOUL | 6 | 21 | -1 | 12 |
| SHANGHAI | 9 | 48 | 1 | 34 |
| STOCKHOLM | 3 | 37 | 0 | 24 |
| SYDNEY | 22 | 11 | 24 | 52 |
| TAIPEI | 21 | 70 | 11 | 58 |
| TEL AVIV | 13 | 44 | 1 | 36 |
| TOKYO | 7 | 45 | 1 | 36 |
| VENEZIA | 9 | 44 | 4 | 25 |
| VIENNA | 8 | 32 | 4 | 25 |
| WARSAW | 2 | 36 | 2 | 28 |
| ZURICH | 18 | 58 | 1 | 36 |

Readings from the previous 24 hours.

ADVERTISEMENT INTERNATIONAL FUNDS

February 18, 1983

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on share prices.

The net asset value per share is weekly (in) — monthly (m) — quarterly (q) — annually (a).

— (1) — proprietary.

— (2) — registered.

— (3) — unregistered.

— (4) — open ended.

— (5) — closed ended.

— (6) — unit trust.

— (7) — limited partnership.

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SPORTS

Sparks Are Guaranteed for Sellout Rugby Crowd in Dublin

By Bob Donnan

International Herald Tribune
DUBLIN.—Even the standing room is sold out at the rugby stadium on Lansdowne Road for the Five Nations match against France on Saturday. That's rugby having its best run in more than 10 years, and the public has rallied to a welcome team.

But the French, who flew in yesterday Thursday night and then trained Friday, are halfway to a grand slam (a sweep of all country's four matches) and aiming to do all the way. Clermont-Ferrand's forwards will have to out-intimidate them, and Ollie Campbell's goalkeeping will have to be good if France is to be stopped this year again.

It's England on the last day, March 19. But the big match will probably turn out to have been this weekend's class in Dublin.

France (against England, 19-15) and Ireland (against Scotland, 15-13) both won on the first day, Jan. 15. Three weeks later the Irish were idle as France won at home (against Scotland, 19-15 again) and Wales and England drew (13-13) in Cardiff. It is England's turn to be idle this weekend.

The only thing that worries me," an otherwise hopeful Irish commentator said Wednesday, "is that we've been off for five weeks and now have to start all over again."

Fitzgerald, a captain in the Irish Army, had lost only once since assuming the responsibility at the start of last year's championship. It was to France and it was after the Irish had had four weeks off.

The key man in that French victory in Paris was 6-foot-6 lock Jean-François Imberton, a tough veteran who had been discarded as part of an effort to speed up the French team with younger men. Those defeats convinced the selectors to recall some veterans, including Imberton, and Ireland was beaten, 22-9.

Imberton is back again, after two surprise changes this week. First Laurent Rodriguez, an explosive runner but at 22

still green in defense and in the lineout, dropped out with groin strain and was replaced as flanker by Dominique Erbain.

Imberton succeeded Erbain among the six traveling substitutes. Then 25-year-old lock Jean-Charles Orso puffed out with rib trouble and Imberton, 31, was in.

Coach Jacques Fouroux had wanted Imberton in the team against Ireland all along. The big Perpignan man's pugnacity and the added weight he brings to the scrum, plus Erbain's value as a knockout jumper, add up to bad news for Ireland.

A key to the outcome will be the accuracy of the throwing-in at the lineouts by a new French hooker, Bernard Herrera.

Another will be the number of penalties France concedes within goal-kicking range for Campbell. The French gave up six penalty goals in the 1980 championship, and the added weight he brings to the scrum, plus Erbain's value as a knockout jumper, add up to bad news for Ireland.

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These French backs defied, too. England failed to score a try against them last month. The Scots managed one in Paris, but afterward spoke highly of the French backs' defense.

Fitzgerald reacted angrily this week when Mervyn Davies, the former Welsh captain, forecast destructive Irish tactics, with reliance on Campbell's penalty goals, against constructive France. Fitzgerald recalled Ireland's three tries against Wales in January last year.

A feature of the first two Saturdays this year, aside from the unusual success rate

for visiting teams, was the number of dropped goals: seven in four matches. There were only three in all 10 matches in 1979, then seven in 1980, nine in 1981 and eight last year.

Tries continue to be rare — 10 tries (40 points) in the first four matches this year, but 32 points kicked. That reproduces almost exactly the much lauded 1982 ratio of 26 tries (104 points) to 216 points kicked.

One difference, though, is that France on its own accounts for half of this year's tries so far. New wings Patrick Estève and Philippe Sella — served by skillful centers Didier Codorniou and Christian Belascain and by the brilliant Serge Blanco at fullback — are being called the most dangerous pair since Gerald Davies and JJ Williams in the great Welsh team of the '70s.

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There were two Irish tries against Scotland in February, then none against England and France. So the single Irish try in Edinburgh last month was Ireland's first in three matches.

A factor in Ireland's favor will be the scrutiny of Ulsterman Willie John McBride and fellow selectors of the 1983 Lions. The British Isles squad — representing England, Scotland, Ireland and Wales — will be announced next month for a tour to New Zealand starting in May. As many as eight or nine Irishmen are understood to be under consideration.

Hooker Fitzgerald and fullback Hugo MacNeill, to name just two, will want to shine against difficult opposition Saturday. Fitzgerald can even hope for the Lions captaincy.

There is also, as MacNeill pointed out this week, the need to keep faith with fans elated last year by Ireland's first triple crown (a sweep against other British Isles teams) since the 1940s, when Ireland won its only grand slam to date in 1948 and its fourth triple crown in 1949.

And there that humiliation in Paris last year to average. But the French, and especially their older forwards, are hungry for their third grand slam in seven years.

Sparks are guaranteed. Scottish referee Alan Hosie is the fireman.

Sonics' Owner Says He'd Relish an NBA Strike

New York Times Service

NEW YORK — Sam Schmidman, the owner of the Seattle SuperSonics, says he would relish a strike by the National Basketball Players Association because it "would enable us to return to normality."

Schmidman's remarks Thursday were in stark contrast to the stance of the National Basketball Association's leadership and most team owners, who have been reluctant to speak forcefully about the months-long sensitive negotiations for a collective bargaining agreement to replace the one that expired last June 1.

The Seattle owner was speaking one day after Larry Fleisher, the union's general counsel, suggested that the players might strike if there were no new agreement by April 1.

"I date them to strike," Schmidman said. "The players are overpaid. A strike would enable us to return to normality and start all over again. Larry Fleisher has admitted to us that at least 10 teams are in financial trouble. I venture to say that there are more."

In part because of the unstable financial condition of several of its 23 teams, the league has been pushing during negotiations with the union for money-saving steps. Ac-

cording to both the NBA and the union, the average player salary has grown to \$246,000 a season, making basketball one of the two highest-paying major league sports along with baseball. Because some of the teams are losing huge sums, the average club in the NBA showed a net loss of \$700,000 last season, according to the league.

Schmidman asserted that other owners were responsible for pushing the salaries to their current level and said that the way to stop the spiral was to impose a payroll cap on each team. The cap is a cornerstone of a management demand that has become the central issue in the talks with the union.

"At one time, I was a party to it," Schmidman said of the big salary increases. "But I tried to stop it. My team played without Gus Williams for an entire season before I finally caved in, but not before the Cleveland owner and other owners began handing out huge salaries to free agents. I finally gave in because I couldn't fight the whole battle myself."

The Cleveland Cavaliers' owner is Ted Stepien, who made offers of \$1 million a year to Otis Birdsong and \$700,000 a year each to Scott Wedman and James Edwards when they were free agents. The Caval-

iers are now among the teams that are in the worst financial shape in the league, and their sale to John Fernhill, a real estate executive, is reported imminent.

Partly to help teams like the Cavaliers, and partly to strengthen all the teams in the league, management has proposed the payroll cap. In return, the league would create a fund that would be financed by a fixed percentage of NBA revenues and would be disbursed to the players in accordance with a formula to be developed by the union. These disbursements would be in addition to individual player salaries.

The payroll cap would vary with league size. Were the players to accept the plan now, the cap would be roughly \$4 million. According to a source close to the negotiations, 12 teams currently have annual payrolls that either exceed that level or are close to it.

Fleisher has agreed to the proposal in principle, but there are two stumbling blocks: how high the salary cap should be, and when it should be implemented. The NBA wants immediate implementation, but the union, fearful of antitrust suits from individual players, wants to delay until 1987.

"We will not put any type of

plan into effect until 1987, when the Oscar Robertson settlement expires," Fleisher said. "We have been told by our lawyers that significant legal problems would develop with any earlier implementation."

The Robertsoo settlement, reached in 1976, established the right of first refusal, under which a free agent can negotiate with any team in the league and then present the best offer to his former club. The old club then has 15 days to match the offer or allow the player to leave.

Under the owners' plan, any team that had a payoff above the salary cap would be prohibited from signing a free agent, thus restricting the mobility and the bargaining power of a player out of contract. It is from such a player that an antitrust challenge would likely come.

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And let's face it," said Bryan Murray, Carpenter's coach at Washington and a former Junior A coach. "It can be a terrible price to pay. It doesn't work out for at least 75 percent of them."

The player in the United States can look after himself a little better. He can still get his education and have some options for the future if it doesn't work out. And the United States player, if he has the talent, will be recognized. Bobby Carpenter could have dominated a Canadian Junior A league if he'd stayed in one, the same as Dale Hawerchuk did.

Hawerchuk, who plays for the Winnipeg Jets, was the NHL's rookie of the year in 1981-1982.

American and Canadian players get a comparable start in the game, beginning at about the age of 8. The American Hockey Association of the United States oversees seven age groups, with 11,792 teams and between 220,000 and 250,000 players throughout the country.

From that staggering number the association selects its 20 players for the Olympics every four years.

What can hinder the quality of the U.S. international team, however, is the lure of pro hockey. Housley would have been a building block as a defenseman for the U.S. team in the 1984 Olympics.

"We've just scratched the surface

for his education for such a career course, resulting sometimes in a shattered life if his hockey dream doesn't materialize."

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ART BUCHWALD

Sniffing Out the EPA

WASHINGTON — I walked past the Environmental Protection Agency in Washington the other day with another newspaperman, and we were both nearly overcome by the stench coming from the building.

"What do you make of that smell?" I asked my friend.

"I don't know. It could be PCB or dioxin or some other industrial waste. It does have a familiar odor."

"I can't believe they'd be using the EPA building to store toxic waste," I said. "They may be incompetent, but they're not stupid."

"Let's go in," my friend said. "There could be a story here."

We went into the building and told the guard that we'd like to talk to someone about the EPA hazardous waste program. He handed me a pass and two gas masks.

When we went to the office he directed us to, we found a woman stuffing material into a paper shredder.

"What are you doing?" I asked her.

"I'm shredding material that the congressional committee has subpoenaed in regard to our superfund cleanup program."

"Isn't that dangerous?" my friend asked her.

"This stuff is poison and we have to get rid of it," she said.

"What's poisonous about it?" I wanted to know.

"It could compromise all the deals we've made with companies who are guilty of dumping toxic material. If these papers got into the wrong hands, many top people in the EPA could get sick."

"But isn't it against the law to shred paper that has to do with toxic waste?" I asked.

"Absolutely not. These papers are being shredded under executive privilege."

"Aren't you afraid of being held in contempt of Congress?"

"I'm only doing my job. If you want to talk to anyone about the

legal aspects, speak to Mr. Sniff, in the next office."

Sniff was very nervous when we walked in. "I'm not allowed to talk to the press unless I have two witnesses with me." He called in two other lawyers and turned on his tape recorder. "Now, what do you want to know?"

"Why are you shredding papers about your toxic waste program?"

"We don't want them to get into the wrong hands. We have several cases pending against companies that have been dumping chemicals, and we prefer their lawyers didn't see the evidence."

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Civilization Conquers the Bushmen

By Robert Weller
The Associated Press

XGI DIGGINGS, Botswana — The Bushmen of the Kalahari eked out a stone-age existence for 21,000 years on this hard, arid soil. Small, often yellow-skinned, nomadic, they hunted game, wild uncultivated spaces, and told tales of Africa, they made the Bushmen the stuff of novels — interior trackers, elusive and tireless in the desert, able to live on dervishes, roots and an occasionalelope.

War, foreign aid, liquor and the cascading clutter of the 20th century have caught up with the Bushmen's children. They ride bicycles and wear shirts instead of animal skins.

Hunters now prefer rifles to poison arrows. Women dance to music blaring from transistor radios. The Bushmen are dispersed among the tribes of southern Africa, their numbers shrinking, their customs slipping away.

John Yellen and Alison Brooks, an American husband and wife team of archaeologists who have recorded the fading legend, recall their first visit to this small pan in the Kalahari semi-desert of western Botswana, 14 years ago.

"The residents lived in a circle of grass butts, which blended into the landscape so thoroughly that, at 100 yards, only the cooking fires and the sound of women cracking mongongo nuts gave away its location," says Brooks, of George Washington University. She says the Bushmen then wore skins and ate wild animals, wild vegetables and acacia.

"At night, when the temperature dropped below freezing, people bundled around the fires and coughed. Since many people were ill, curing dances were held almost every night. As I listened to the chanting and clapping, relishing the group's intimacy and remoteness from the materialism of my own world, I thought, take away the metal cooking pots, axes and knives and this could be the Stone Age."

The Bushmen were drawn to Tsumkwe by welfare payments and by high wages offered by the South African Army. The army uses Bushmen to track black na-



Bushmen meet Coke in a scene from "The Gods Must Be Crazy," a Botswanan film currently playing in Paris.

tionalist guerrillas fighting to wrest the territory from South African control and make it independent.

"Bushmen born since 1960 couldn't track themselves off a snowy football field," Marshall says.

In interviews conducted with Yellen or Marshall translating, the Bushmen seem to agree.

"We have taught our kids how to burn but they haven't learned very well. They just eat communal," says Currie, about 50, who works at Xgi Diggings, an excavation in the sandy, thornbush country of the northern Kalahari basin.

Nxai, a woman of the Xkung branch of the Bushmen, says, "My son has shot a rabbit. But he

"can we see it?"

"No, it's confidential. If we publish the results we might be revealing trade secrets of the companies who did the dumping."

A secretary came in and said, "Mr. Drum of Titantic Chemical is on the phone."

The lawyer picked up his phone. "Drum, we just got a report from the whistleblower in our Pittsburgh office that your company is dumping uranium waste under the high school football stadium. Are you aware that's a no-no? ... Oh, you were? Well, be a good fellow and stop it. Thanks a lot. What Congress doesn't know won't hurt them." He hung up and turned to

"Now, if you'll excuse me, we've got a lot of work to do here."

I left with my newspaper and headed in our passes and gas masks to the guard.

Suddenly, my friend said, "I know what this stench smells like."

"What?" I asked him.

"Watergate. It stinks like a

Watergate. Let's go in."

"I think you're right."

PEOPLE

De Beauvoir Honored

The French author and philosopher Simone de Beauvoir was named the 1983 recipient of the Sonning Prize for European culture. The award, announced by a faculty committee at the University of Copenhagen, is made every two years to a person judged to have made "great contribution to European culture and civilization." The committee selected de Beauvoir by 74, because of her "significance in European cultural life — partly as an author, partly as a philosopher and humanist, and not least as an inspirer of the modern feminist movement."

Curniss says, "When people eat, they get excited and talk a lot."

"You'd think people who have lived all their lives only five feet apart would have run out of things to say," Marshall says.

Curing dances, when men often fall into trances, still take place but Bushmen lost the prehistoric art of rock painting in the 19th century.

Bushmen have changed physically, too. The famed large buttocks of the women remain, now hard to see under Western skirts and unnecessary for what scientists say was their main purpose — to store fat. But studies show that Bushmen now average 5 feet-4, compared with 5 feet-1½ inches 80 years ago, apparently the result of better nutrition.

The Bushmen once occupied large areas of southern Africa, in what are now the countries of South Africa, Namibia, Botswana, Lesotho, Swaziland, Mozambique, Angola, Zambia and Zimbabwe. Now there are an estimated 26,000 living in Namibia and 29,000 in Botswana.

Few, if any, remain untouched by the 20th century. Dr. Philip Tobias, medical school dean at the University of the Witwatersrand in Johannesburg, and his wife, Diana, Princess of Wales, known as the "People's Princess," visited the Kalahari in 1978 after Nixon's resignation.

"We have taught our kids how to burn but they haven't learned very well. They just eat communal," says Currie, about 50, who works at Xgi Diggings, an excavation in the sandy, thornbush country of the northern Kalahari basin.

Nxai, a woman of the Xkung branch of the Bushmen, says, "My son has shot a rabbit. But he

"can we see it?"

"No, it's confidential. If we publish the results we might be revealing trade secrets of the companies who did the dumping."

A secretary came in and said, "Mr. Drum of Titantic Chemical is on the phone."

The lawyer picked up his phone. "Drum, we just got a report from the whistleblower in our Pittsburgh office that your company is dumping uranium waste under the high school football stadium. Are you aware that's a no-no? ... Oh, you were? Well, be a good fellow and stop it. Thanks a lot. What Congress doesn't know won't hurt them." He hung up and turned to

"Now, if you'll excuse me, we've got a lot of work to do here."

I left with my newspaper and headed in our passes and gas masks to the guard.

Suddenly, my friend said, "I know what this stench smells like."

"What?" I asked him.

"Watergate. It stinks like a

Watergate. Let's go in."

"I think you're right."

British royalty made a strong showing in the annual best-dressed list of men and women of 1982. Diana, Princess of Wales, known for her taste in romantic lace and velvet, made the list with her brother-in-law, Prince Andrew, third in line to the British throne. Prince Charles, Diana's husband, did not feature. The other best-dressed women are: Mrs. Gestavo Cisneros of Venezuela and New York; Elizabeth Dole, newly named U.S. secretary of transportation; the Duchess of Fesia of Spain; Mrs. Oscar Hammerstein, widow of the composer; Mrs. Donald Harrington, art and music philanthropist; Frances Kellogg of New York; Princess Anne of Wales; Diana Ross, the singer; Barbara Sinatra, wife of the entertainer; Ragen Welch, the actress; Mrs. Thornton Wilson, Jr., of New York. The other best-dressed men: Peter Beard, the photographer; Lee Carr, tall; international art dealer; Alan Cooke, British commentator; Christopher Forbes of New York; Prentiss Cobb, San Francisco businessman; Julio Iglesias, the singer; Jeremy Irons, the British

actor who starred in "Brideshead Revisited"; President François Mitterrand of France; Joseph Verner Root, U.S. ambassador to Morocco; Roberto Rossellini, Jr., son of the late Ingrid Bergman and the Italian film director, and Raquel Welch, the actress.

Four runners took part in the sixth annual run up the 102-story Empire State Building in New York. The winner, Al Waggoner from Jemez, New Mexico, took 11 minutes and 36 seconds to make it to the observation deck 1,575 steps and 1,050 feet above ground level. Burke Kancik, 29, of Oyster Bay, New York, came in second in 13 minutes and 40 seconds, having started, like all the women in the race, 90 seconds before the men. Waggon, 31, known as King of the Hills for his championship runs up Pike's Peak in 1981 and 1982, said he trains in New Mexico by racing forest animals: "My favorites are the deer and the elk."

For details on the Sonning Prize, contact the Sonning Foundation, 144 New Bond Street, London W1A 2JL, Tel: 01-580 2200. Details on the British Royalty list, contact the Royal Household Bureau, 10 Queen's Gate, London SW7 1PT, Tel: 01-580 4200. Details on the British Commonwealth Royalty list, contact the Royal Household Bureau, 10 Queen's Gate, London SW7 1PT, Tel: 01-580 4200.

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